

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Twitch Interactive, Inc.,
Petitioner,

v.

Razdog Holdings LLC,
Patent Owner.

Case No. IPR2025-00308
U.S. Patent No. 10,334,068

PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL

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EXHIBIT LIST

Exhibit No.	Description
2001	<i>Razdog Holdings LLC v. Twitch Interactive, Inc.</i> , No. 3:24-cv-03638-JSC (NDCA), Amended Pretrial Order No. 1: Case Schedule dated September 27, 2024 (D.I. 39) (“Amended Pretrial Order”)
2002	<i>Razdog Holdings LLC v. Twitch Interactive, Inc.</i> , No. 3:24-cv-03638-JSC (NDCA), Docket Notification Order Reassigning Case dated February 24, 2025 (D.I. 46) (“Order Reassigning Case”)
2003	<i>Razdog Holdings LLC v. Twitch Interactive, Inc.</i> , No. 3:24-cv-03638-JSC (NDCA), The Parties’ Second Joint Case Management Statement dated March 17, 2025 (D.I. 50) (“Second Joint Case Management Statement”)
2004	<i>Razdog Holdings LLC v. Twitch Interactive, Inc.</i> , No. 3:24-cv-03638-JSC (NDCA), Defendant’s Invalidity Contentions dated January 13, 2025 (“Invalidity Contentions”)

In accordance with the United States Patent and Trademark Office’s “Interim Processes for PTAB Workload Management” Guidance Memorandum dated March 26, 2025 (“Guidance”), Patent Owner Razdog Holdings LLC (“Patent Owner”) submits this Request for Discretionary Denial of the Petition for *Inter Partes* Review challenging claim 1 of U.S. Patent No. 10,334,068 (“the ‘068 Patent”) filed by Petitioner Twitch Interactive, Inc. (“Petitioner”). Patent Owner’s Request for Discretionary Denial is filed within two months of January 30, 2025, the date on which the Board entered a Notice of Filing Date Accorded in this proceeding. *See* Paper 4.

I. INTRODUCTION

This Petition presents a textbook case for discretionary denial under 35 U.S.C. § 314(a). Patent Owner and Petitioner are currently involved in an ongoing, advanced parallel district court litigation in the Northern District of California (the “NDCA Litigation”),¹ a case that was *filed by Patent Owner over 9 months ago*. The NDCA Litigation has a trial date set for June 1, 2026—*nearly two full months before the expected date for a final written decision in this IPR*. As explained further below, each of the six *Fintiv* factors support discretionary denial here:

¹ *See Razdog Holdings LLC v. Twitch Interactive, Inc.*, Case No. 5:24-cv-03638-NW (NDCA).

- **Factor 1 (likelihood of stay)** – the NDCA Litigation is not stayed and no stays have ever been requested by the parties;
- **Factor 2 (trial date)** – the Final Written Decision in this IPR (expected July 30, 2026) will issue *nearly two months after* trial in the NDCA Litigation (set for June 1, 2026);
- **Factor 3 (investment in parallel proceeding)** – the NDCA Litigation has advanced well beyond the early stages, the parties have already expended significant resources, and the parties will continue to expend significant resources over the next 4 months before institution of this IPR;
- **Factor 4 (overlapping issues)** – the issues in the NDCA Litigation overlap significantly with the invalidity challenges here, including presenting the same art and arguments in both proceedings;
- **Factor 5 (overlapping parties)** – the parties in each proceeding are identical, *i.e.*, Patent Owner is the plaintiff and Petitioner is the defendant in the NDCA Litigation;
- **Factor 6 (other considerations)** – in addition to the relative weakness of the Petition, other relevant considerations outlined in the Director’s Guidance, including “[t]he extent of the petition’s reliance on expert testimony,” the “[s]ettled expectations of the parties,” and “other

considerations” such as a related *ex parte* reexamination recently filed by a third party connected to Petitioner’s parent company, favor denial.

On balance, the *Fintiv* Factors strongly favor denial here. Accordingly, Patent Owner respectfully requests that the Director exercise her discretion under 35 U.S.C. § 314(a) to deny institution of this proceeding.²

II. THE BOARD SHOULD EXERCISE ITS DISCRETION TO DENY INSTITUTION OF THE PETITION

Notwithstanding the substantive defects of the Petition, which will be detailed more fully in Patent Owner’s Preliminary Response, the Board should exercise its discretion under 35 U.S.C. § 314(a) to deny institution. As explained further below, the *Fintiv* factors strongly weigh in favor of denial based on the parties’ ongoing, advanced NDCA Litigation. Moreover, other relevant

² By submitting this Request for Discretionary Denial, no waiver of any argument is intended by Patent Owner. Patent Owner will file its Preliminary Response to the Petition addressing the merits of the Petition and other non-discretionary statutory considerations within three months from the date of the PTAB’s Notice of Filing Date Accorded and, should institution be granted, will file a Patent Owner Response according to the PTAB’s Scheduling Order. *See* 37 C.F.R. § 42.107; 37 C.F.R. § 42.120; Guidance at 2.

considerations enumerated in existing Board precedent, the Consolidated Trial Practice Guide (Nov. 2019), and the Guidance further support denial here.

It is well-settled that institution of IPR is discretionary. *See Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“the PTO is permitted, but never compelled, to institute an IPR proceeding”). Section 314(a) provides the Director with discretion to deny a petition. *See* 35 U.S.C. § 314(a) (“[t]he Director may not authorize an *inter partes* to be instituted unless...”); *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 273 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”). In determining whether to exercise discretion to deny institution, the Director “consider[s] the effect of any such regulation [under this section] on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings instituted under this chapter.” 35 U.S.C. § 316(b).

The Board has discretion under 35 U.S.C. § 314(a) to deny institution based on efficiency considerations that stem from parallel proceedings on the same patent. *See NHK Spring Co. v. Intrix-Plex, Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential) (“*NHK Spring*”). The PTAB considers six factors for determining whether discretionary denial due to efficiency considerations relating to parallel proceedings is appropriate (the “*Fintiv* factors”):

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

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 5-6 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”). As the Board explained in *Fintiv*, “[t]hese factors relate to whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding.” *Id.* In evaluating these factors, the Board takes “a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.*

Here, a compelling case exists for denying IPR institution as all six *Fintiv* factors strongly favor discretionary denial.³

A. Factor 1 Weighs in Favor of Denial Because The NDCA Litigation Is Not Stayed

The first *Fintiv* factor—which considers whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted—indisputably favors denial of institution in this case.

The NDCA Litigation is not stayed. Despite the fact that the Petition in this IPR was filed over 3 months ago on December 23, 2024, ***Petitioner has not moved to stay the NDCA Litigation.*** In fact, as of the filing of the parties’ Joint Case Management Statement on March 17, 2025, Petitioner has never even indicated a desire to stay the NDCA Litigation. Ex.2003 at 3 (“Defendant has yet to inform Plaintiff whether it intends to request a stay of this matter pending the PTAB’s

³ On February 28, 2025, the USPTO rescinded the “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation” dated June 21, 2022 (“Interim Procedure”). Thus, rather than follow the Interim Procedure, the Board will now weigh the *Fintiv* factors as it had done prior to the Interim Procedure’s issuance, in view of the Board’s earlier precedent including *Fintiv*.

resolution of the IPR.”). Under these circumstances, *Fintiv* factor 1 strongly favors denial of institution.

Even if Petitioner belatedly seeks a stay of the NDCA Litigation in response to Patent Owner’s Request for Discretionary Denial in this IPR, the Director should still determine this factor weighs in favor of denying institution. Parties to parallel proceedings in district court and the PTAB, like Petitioner here, should not be encouraged to lay in wait for months in district court, where they can collect intel from Patent Owners such as claim construction positions and contentions, only months later to later claim they intend to seek stays in order to prevent a co-pending IPR from being denied. The Board should reject any argument by Petitioner that it is or intends to seek a stay of the NDCA Litigation and find this factor weighs in favor of denial.

B. Factor 2 Weighs in Favor of Denial Because Trial in the NDCA Litigation Will Occur Before the Board’s Final Written Decision

Fintiv factor 2 weighs heavily in favor of denying institution because trial is set to commence in the NDCA Litigation *nearly two full months before the expected date for the Board’s Final Written Decision in this proceeding*. “If the court’s trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution under *NHK*.” *Fintiv*, IPR2020-00019, Paper 11 at 9. That is undoubtedly the case here.

As the Petition concedes and is shown in the NDCA Litigation Scheduling Order, trial in the NDCA Litigation is scheduled to begin on June 1, 2026. *See* Paper 1 at 82; Ex.2001 at 2 (“Jury trial will begin on June 1, 2026...”). The expected date of the Board’s Final Written Decision is, on the other hand, not until approximately July 30, 2026—nearly two months later. Indeed, Patent Owner’s Preliminary Response in this IPR is due by April 30, 2025. *See* Paper 4; 37 C.F.R. § 42.107(b). The expected date for the Board’s Institution Decision would therefore be July 30, 2025. *See* 35 U.S.C. § 314(b). If the proceeding is instituted, the expected date of the Board’s Final Written Decision is one year later on July 30, 2026, which could be further extended by up to another six months. *See* 35 U.S.C. § 316(a)(11). Accordingly, contrary to Petitioner’s contention that “the current trial date is after the projected FWD,” *see* Paper 1 at 83, ***trial in the NDCA Litigation will take place at least two months earlier than any Final Written Decision in this IPR.***

Notably, recent developments in the NDCA Litigation confirm that the current trial date of June 1, 2026 is not likely to change. Although a new judge was assigned to the NDCA Litigation on February 24, 2025 and some upcoming deadlines were shifted, crucially, all dates after May 27, 2025 remain in place—including the June 1, 2026 trial. *See* Ex.2002 at 1 (“All pretrial conference and trial dates currently set for after May 27, 2025, and all other deadlines associated with

the case, will remain in place unless otherwise ordered.”). Moreover, the parties recently filed a joint case management statement on March 17, 2025, but neither Patent Owner nor Petitioner requested a new trial date. *See* Ex.2003 at 7. Thus, both the Court and the parties appear committed to the currently-schedule June 1, 2026 trial date, further confirming that the trial in the NDCA Litigation will occur before a Final Written Decision in this proceeding.

This timeline undisputedly favors denial. The Board has held time and time again that a trial date which precedes a final written decision deadline by a mere few months favors discretionary denial. *See, e.g., Samsung Elecs. Co., Ltd. v. Mojo Mobility Inc.*, IPR2023-01092, Paper 11 at 11 (PTAB Jan 8, 2024) (denying institution, finding that a trial date “about five months before the projected statutory deadline” favored discretion to deny); *Bentley Motors Ltd., Jaguar Land Rover Ltd.*, IPR2019-01539, Paper 9 at 14 (PTAB Mar. 10, 2020) (denying institution where trial was set to occur five months before final written decision); *Immersion Sys. LLC v. Midas Green Techs., LLC*, PGR2021-00104, Paper 15 at 11 (PTAB Jan. 1, 2022) (jury trial starting four months ahead of final written decision favored discretionary denial); *NXP USA, Inc. v. Impinj, Inc.*, PGR2022-00005, Paper 18 at 8-9 (PTAB May 2, 2022) (two-month period between trial date and deadline for final decision weighed in favor of discretionary denial); *E-One, Inc. v. Oshkosh Corp.*, IPR2019-00161, Paper 16 at 6-9 (PTAB May 15, 2019) (one

month period between trial date and deadline for final written decision weighed in favor of discretionary denial); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12-13 (PTAB May 13, 2020) (second factor favors denial when “the currently scheduled District Court trial is scheduled to begin two months before our deadline to reach a final decision”); *eClinicalWorks, LLC v. Decapolis LLC*, IPR2022-00229, Paper 10 at 9 (PTAB Apr. 13, 2022) (favoring denial where beginning of jury trial was “roughly one to two months” before final decision was due). Accordingly, *Fintiv* factor 2 weighs significantly in favor of denial.

C. Factor 3 Weighs in Favor of Institution Due to Significant Investment in the NDCA Litigation by the Parties

Factor 3 also weighs in favor of denial because the district court and parties have expended and will continue to expend considerable resources in the parallel litigation before institution in this IPR. For factor 3, the Board considers “the amount and type of work already completed in the parallel litigation by the court and the parties at the time of the institution decision.” *Fintiv*, IPR2020-00019, Paper 11 at 9. “This investment factor is related to the trial date factor, in that more work completed by the parties and the court in the parallel proceeding tends to support the arguments that the parallel proceeding is more advanced, a stay may be less likely, and instituting would lead to duplicative costs.” *Id.*, 10.

Here, contrary to Petitioner’s assertion that “it is early in the district court proceeding, with little investment by the court or parties,” Paper 1 at 83, the

current and projected investment by the district court and parties in the NDCA Litigation is immense. Patent Owner filed the NDCA Litigation against Petitioner *over 9 months ago* on June 17, 2024. *See* Ex.1013 at 13. The case is well beyond the early stages and the parties have expended significant resources and effort moving the case toward trial. For example, Patent Owner served infringement contentions on Petitioner on November 22, 2024 and Petitioner served invalidity contentions on Patent Owner on January 13, 2024. *See* Ex.2001 at 1; Ex.2004 at 45; *Sand Revolution II, LLC v. Cont'l Intermodal Grp.*, IPR2019-01393, Paper 24 at 10 (PTAB June 16, 2020) (considering the parties' investment in contentions for this factor). Moreover, both Patent Owner and Petitioner have disclosed their damages experts, and Plaintiff has further disclosed its technical expert. In short, the contention period is nearly closed, as Patent Owner served on Petitioner its damages contentions on March 18, 2025 and Petitioner will serve its damages response on April 17.⁴

The claim construction process is also well underway, as the parties have exchanged proposed terms for construction on January 27, 2025 and preliminary

⁴ By agreement of the parties, the damages contention period was extended by two weeks from the dates shown in the Scheduling Order, with no other adjustments.

claim constructions on February 17, 2025 and filed the joint claim construction and prehearing statement on March 14, 2025. Ex.2001 at 1.

Fact discovery is also ongoing. This effort includes laborious document collection and review (Patent Owner and Petitioner have issued 65 and 60 Requests for Production, respectively), meaningful interrogatory practice (Patent Owner and Petitioner have issued 4 and 13 interrogatories, respectively), and served wide-ranging third-party subpoenas (documentary, testimonial, or both) to Apple, Microsoft, Epic Games, Mojang, and Rockstar Games.

Additionally, significant activity in the NDCA Litigation will take place before the expected institution date of this proceeding on July 30, 2025. The contention period will end on April 17, 2025 when Petitioner serves its damages contentions. Claim construction discovery and claim construction briefing will also be completed by the end of May 2025. Ex.2001 at 1. A *Markman* hearing is scheduled for June 24, 2025. *Id.* And, only several days after the expected institution date of this IPR, fact discovery in the NDCA Litigation will close. *Id.* Thus, by the time this proceeding reaches institution, the issues of claim construction, infringement, validity, and damages will have been distilled for trial.

It is also noteworthy that Petitioner raises validity challenges in the district court based not only on prior art patents and printed publications, but also prior sale and public use, patent ineligibility, lack of enablement, and lack of written

description. Ex.2004 at 6-12, 25-44. Thus, the district court will be in the best position to resolve all validity issues relating to the '068 Patent. And even if institution is granted here, the district court will still have to contend with a multitude of validity issues. Considering the timing of the litigation and the relative status of this IPR, efficiency is favored in the forum that can address all of the validity issues at the same time.

Finally, the Court's Scheduling Order requires dispositive motions on issues such as (in)validity to be filed by December 5, 2025. Ex.2001 at 1 (setting the deadline for dispositive motions). Should the Board institute, the parties will effectively duplicate the efforts expended in the NDCA Litigation to address the validity of the '068 Patent. These investments by the district court and the parties in the NDCA Litigation favor denial here.

D. Factor 4 Weighs in Favor of Denial Because the Issues in the Parallel Proceedings Significantly Overlap

Factor 4 also weighs in favor of discretionary denial because there is substantial overlap between the claims, arguments, and evidence raised in the Petition and in Petitioner's invalidity contentions in the NDCA Litigation.

In this proceeding, Petitioner's Ground 1 challenges are based on Darnell and Kim. Paper 1 at 2. Petitioner's Ground 2 challenges are based on Dasgupta and Darnell. *Id.* In Petitioner's invalidity contentions in the NDCA Litigation, Petitioner contends that the '068 Patent is invalid in view of, among others,

“Darnell, alone or in combination with Kim, Dasgupta, and/or the knowledge of a POSITA” or “Dasgupta, alone or in combination with Darnell, and/or the knowledge of a POSITA,” and further notes that it “also reserves the right to rely on [any] disclosed reference, either alone or in combination with one or more of the other references disclosed herein.” *See* Ex.2004 at 25. Therefore, Petitioner’s common prior art challenges to the claims renders the “overlap in issues between the two proceedings [] substantial.” *Code200, UAB v. Luminate Networks, Ltd.*, IPR2020-01506, Paper 10 at 11-12 (PTAB Feb. 16, 2021); *see also Fintiv*, IPR2020-00019, Paper 15 at 15 (finding Petitioner’s assertion of additional invalidity contentions “not relevant to the question of the degree of overlap for this factor”).

Moreover, Petitioner has not, to this point, offered a *Sotera* stipulation. *Inter Partes* Review is intended to be a “quick and cost effective alternative[] to litigation,” not an avenue for Petitioner to argue invalidity a second time in a second venue. *WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1317 (Fed. Cir. 2018) (quoting H. Rep. No. 112-98, at 40, 48 (2011)). Indeed, Petitioner’s failure to offer a *Sotera* stipulation, despite the substantial overlap between the proceedings, only highlights the concerns of duplicative efforts and conflicting outcomes raised by *Fintiv*.

As to the claims of the ‘068 Patent at issue, the IPR Petition here challenges claim 1, which Petitioner also challenges in the NDCA Litigation. *Compare* Paper 1 at 2, *with* Ex.2004 at 1. Even when there is not a perfect alignment between the claims in IPR and litigation, however, the Board has repeatedly ruled that the assertion of additional claims does nothing to mitigate “substantial” overlap in issues between the two proceedings where common prior art is presented and common independent claims are challenged. *See, e.g., Code200, UAB*, IPR2020-01506, Paper 10 at 11-12 (“In light of the common prior art asserted here and in the [] district court case, as well as the common challenge to the sole independent claim and all but two of the dependent claims of the [’384] patent, we agree with the Patent Owner that the overlap in issues between the two proceedings is substantial.”); *Teso LT UAB v. Luminati Networks Ltd.*, IPR2021-00122, Paper 12 at 10 (PTAB Apr. 20, 2021) (denial of institution favored where Petition’s prior art references were all identified in the district court invalidity contentions, the same independent claims were challenged in both proceedings, and “the additional claims challenged in the Petition are all dependent claims”).

Therefore, with this substantial overlap between the Petition and the NDCA Litigation, there are particularly strong “concerns of inefficiency and the possibility of conflicting decisions” if the IPR is instituted. *See, e.g., Fintiv*, IPR2020-00019, Paper 11 at 12 (finding “concerns of inefficiency and the

possibility of conflicting decisions [are] particularly strong” where there is substantial overlap). Accordingly, factor 4 weighs strongly in favor of denial of institution. *See Teso LT UAB*, IPR2021-00122, Paper 12 at 10 (finding “the overlap in issues between the two proceedings is substantial” where common art and common challenges to the independent claim were presented in both proceedings); *eClinicalWorks*, IPR2022-00229, Paper 10 at 12 (finding factor 4 weighed in favor of denial where Preliminary Invalidity Contentions showed overlap of asserted claims, art and arguments asserted in the Petition); *U.S. Venture, Inc. v. Sunoco Partners Mktg. & Terminals L.P.*, IPR2020-00728, Paper 10 at 12-14 (PTAB Oct. 1, 2020) (finding overlap between primary references asserted in Petition and litigation weighed in favor of denial).

E. Factor 5 Weighs in Favor of Denial Because the Parties Are Identical in Each Proceeding

The parties in this IPR are identical to the parties in the district court case. Patent Owner Razdog Holdings LLC is the plaintiff in the NDCA Litigation and Petitioner Twitch Interactive, Inc. is the defendant in the NDCA Litigation. “[B]ecause the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial.” *Samsung Elecs. Co. v. Clear Imaging Research, LLC*, IPR2020-01401, Paper 12 at 21-22 (PTAB Feb. 17, 2021) (*quoting Fintiv*, IPR2020-00019, Paper 15 at 15). Factor 5 weighs strongly in favor of denial.

F. Factor 6 Weighs in Favor of Denial Due to Other Circumstances Impacting the Exercise of Discretion

Additional factors likewise weigh in favor of denial. The district court can resolve more disputed issues than the limited nature of IPR proceedings, which can only address a limited set of validity challenges. While IPR proceedings were once thought to be vehicles to settle validity questions concerning a patent, history has informed that IPR proceedings often only address some validity issues, leaving others for the district courts to deal with. When a patent survives an IPR, it adds complexity to the proceeding as the district court must then weigh questions of the scope of IPR estoppel. *See, e.g., EIS Inc. v. IntiHealth Ger GmbH*, 2023 WL 6797905, 19-1227-GBW (D. Del. Aug. 30, 2023) (addressing scope of IPR estoppel). And for other validity issues beyond the reach of IPRs, Petitioner’s prior art on sale, public use, and knowledge arguments, as well as its subject-matter eligibility, enablement and written description issues identified in its NDCA Litigation invalidity contentions (Ex.2004 at 7-12, 25-44), demonstrate that the IPR proceeding will not make the validity determination more efficient in this instance.

Moreover, the merits of the Petition are weak. While Patent Owner will provide a more comprehensive analysis of the merits of the Petition in its Preliminary Response due April 30, 2025, *see* Paper 4, it is clear from even a cursory review of the Petition that it does not present “a compelling unpatentability

challenge.” *See Fintiv*, IPR2020-00019, Paper 11 at 13-14. Each of Petitioner’s invalidity grounds are based on obviousness, a tacit admission by Petitioner that none of the prior art discloses all the limitations of the challenged claims. *See* Paper 1 at 2. Further, the two primary references relied upon in the Petition—Darnell and Dasgupta—differ significantly from the invention described and claimed in the ‘068 Patent. For example, independent claim 1 of the ‘068 Patent requires that content data and content applications are streamed in “real time.” *See* Ex.1001 at cl. 1. Neither Darnell or Dasgupta disclose this limitation. In fact, Petitioner admits as much—unable to identify “real time” content data and content applications in either reference, Petitioner instead relies on its expert to adopt a contrived definition of “real time” to fit the prior art. Paper 1 at 28 n.11.

The Petition’s extensive reliance on expert testimony further demonstrates that the merits of Petitioner’s challenge are not strong. *See* Guidance at 2 (listing additional “relevant considerations” including “[t]he extent of the petition’s reliance on expert testimony”). Petitioner cites its expert’s 269-page declaration at least 140 times in the Petition, often relying on large swaths of expert testimony to backfill and plug holes in its arguments. This is a clear sign that Petitioner’s merits-based arguments cannot stand on their own.

In any event, the Board has made clear that “the merits do not outweigh the other *Fintiv* factors.” *NXP USA*, PGR2022-00005, Paper 18 at 12- 13 (finding that

where factor 1 was neutral and factors 2-5 favored or slightly favored denial, factor 6 was neutral because it “would not impact [the] ultimate determination”); *Samsung Elecs.*, IPR2020-01401, Paper 12 at 23-25 (finding that where factors 1 and 4 slightly favored denial, factors 2 and 3 strongly favored denial, and factor 5 weighed in favor of denial, those factors outweighed any merits of the case considered in factor 6); *Apcon, Inc. v. Gigamon Inc.*, IPR2020- 01579, Paper 9 at 26 (PTAB Mar. 16, 2021) (finding that the merits of the petitioner’s grounds do not outweigh the other factors in light of the strength of factors 2); *Fintiv*, IPR2020-00019, Paper 11 at 15 (“if the merits of the grounds raised in the petition are a close[] call, then that fact has favored denying institution when other factors favoring denial are present”). Accordingly, even if the Petition presented a strong merits-based challenge (which it does not), it would be outweighed by the other *Fintiv* factors that strongly favor denial.

In addition to the weakness of the merits of the Petition, additional considerations also favor discretionary denial of this proceeding. First, the “settled expectations of the parties” clearly favor denial. *See* Guidance at 3 (listing additional “relevant considerations” including “[s]ettled expectations of the parties, such as the length of time the claims have been in force”). The ‘068 Patent issued **over 5.5 years ago** on August 8, 2017. *See* Ex.1001 at cover. Second, “other considerations bearing on the Director’s discretion” may be relevant to the

Director's discretionary denial decision in this proceeding. *See* Guidance at 3 (listing additional "relevant considerations" including "[a]ny other considerations bearing on the Director's discretion"). Indeed, the '068 Patent was recently challenged in an *ex parte* reexamination proceeding by Unified Patents, LLC. *See In re patent of Trahan et al.*, Reexam. Control No. U.S. 90/019,860. And, while the challenger in the reexamination proceeding is not Petitioner itself, Petitioner's parent company, Amazon, is likely a member of Unified Patents. *See, e.g., Unified Patents, LLC v. MasterObjects, Inc.*, IPR2020-01201, Paper 12 at 1 (PTAB Oct. 16, 2020) (arguing that Unified Patents filed IPR petition on behalf of Amazon). Thus, even if Petitioner itself is not technically getting multiple bites of the apple through the IPR and reexamination processes, it is at a minimum benefiting from a reexamination proceeding that forces Patent Owner to simultaneously litigate the validity of the '068 Patent in multiple forums (*i.e.*, district court, IPR, and *ex parte* reexamination). *Fintiv* factor 6 thus also weighs in favor of denial.

On balance, the *Fintiv* factors strongly favor denial of institution of this IPR.

III. CONCLUSION

In summary, the *Fintiv* Factors and other relevant considerations strongly favor denial of the Petition. Most importantly, the ongoing NDCA Litigation has not been stayed, is set for trial and will reach a determination of the validity of the '068 Patent months before the Board in this IPR, has advanced well beyond the

early stages and has resulted in significant expenditures of time and resources by the district and parties, and will address issues that overlap significantly with those raised here. Accordingly, Patent Owner respectfully requests that the Director exercise her discretion under 35 U.S.C. § 314(a) to deny institution of this proceeding.

Dated: March 28, 2025

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

The undersigned certifies that this Request for Discretionary Denial complies with the type-volume limitations of 37 C.F.R. §42.24 because it contains 4,647 words (as determined by the Microsoft Word word-processing system used to prepare the Petition), excluding the parts of the Petition exempted by 37 C.F.R. §42.24.

Dated: March 28, 2025

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CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing PATENT OWNER'S
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