
BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAP AMERICA, INC.,
Petitioner

v.

VALTRUS INNOVATIONS LTD.,
Patent Owner

Case No. IPR2025-00414
Patent No. 7,152,182

**PATENT OWNER'S BRIEF THAT INSTITUTION OF THE PETITION
SHOULD BE DENIED ON DISCRETIONARY GROUNDS**

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PATENT OWNER’S EXHIBIT LIST

No.	Exhibit Description
2001	Memorandum for Interim Processes for PTAB Workload Management, dated March 26, 2025
2002	Memorandum on Guidance on USPTO’s recission of “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation,” dated March 24, 2025
2003	Order Denying Motion to Stay in <i>Netlist, Inc. v. Samsung Elecs. Co., Ltd.</i> , No. 2:22-cv-293, Dkt. No. 689 (E.D. Tex. Mar. 11, 2024) (Gilstrap, J.)
2004	Executed Summons in <i>Valtrus Innovations Ltd. v. SAP America, Inc. et al.</i> , No. 2:24-cv-00021-JRG, Dkt. No. 10 (E.D. Tex.), served January 17, 2024
2005	Statistics from DocketNavigator for patent cases before Judge Gilstrap of the Eastern District of Texas, for cases filed between January 1, 2020 to March 31, 2025
2006	Federal Court Management Statistics—Profiles, Comparison of Districts Within Circuits, for 12-Month Period Ending December 31, 2024, available at https://www.uscourts.gov/data-table-report-names/federal-court-management-statistics
2007	Notice of Compliance with Service of Patent Owner’s Infringement Contentions in <i>Valtrus Innovations Ltd. v. SAP America, Inc. et al.</i> , No. 2:24-cv-00021-JRG, Dkt. No. 10 (E.D. Tex.), confirming service of infringement contentions on March 11, 2024
2008	Memorandum and Order regarding motion to dismiss, in <i>Valtrus Innovations Ltd. v. SAP America, Inc.</i> , No. 2:24-cv-00021-JRG, Dkt. No. 10 (E.D. Tex. Nov. 8, 2024) (public version)
2009	Seventh Amended Docket Control Order in <i>Koninklijke KPN N.V. v. Telefonaktiebolaget LM Ericsson</i> , No. 2:21-cv-00113-JRG, Dkt. No. 203 (E.D. Tex.)
2010	Order denying stay in <i>Cardware Inc. v. Samsung Elecs. Co.</i> , No. 2:22-cv-00141-JRG, Dkt. No. 64 (E.D. Tex. Feb. 16, 2023)
2011	Patent Owner’s Infringement Contentions, Cover Pleading, served March 11, 2024, in <i>Valtrus Innovations Ltd. v. SAP America, Inc.</i> , No. 2:24-cv-00021-JRG (E.D. Tex.)
2012	Petitioner’s email concerning prior art narrowing, dated May 1, 2025

No.	Exhibit Description
2013	Order consolidating <i>Valtrus Innovations Ltd. v. SAP America, Inc.</i> , No. 2:24-cv-00533-JRG (E.D. Tex.) and <i>Valtrus Innovations Ltd. v. SAP America, Inc.</i> , No. 2:24-cv-00021-JRG (E.D. Tex), dated Feb. 24, 2025
2014	Patent Owner’s email concerning claim narrowing, dated April 10, 2025
2015	Third Amended Docket Control Order in <i>Valtrus Innovations Ltd. v. SAP America, Inc.</i> , No. 2:24-cv-00021-JRG, Dkt. No. 141 (E.D. Tex. Apr. 20, 2025)
2016	Opening Brief in Support of Motion to Dismiss for Lack of Subject-Matter Jurisdiction, Under the First-to-File Rule, Lack of Personal Jurisdiction, and for Failure to State a Claim in <i>SAP Am. Inc. v. Valtrus Innovations, Ltd.</i> , No. 24-cv-756-GBW, Dkt. 14 (D. Del.)
2017	Reply in Support of Motion to Dismiss for Lack of Subject-Matter Jurisdiction, Under the First-to-File Rule, Lack of Personal Jurisdiction, and for Failure to State a Claim in <i>SAP Am. Inc. v. Valtrus Innovations, Ltd.</i> , No. 24-cv-756-GBW, Dkt. 32 (D. Del.)
2018	U.S. Patent No. 5,889,935 to <i>Ofek</i>
2019	Excerpts from Petitioner’s Invalidity Contentions, served May 20, 2024, in <i>Valtrus Innovations Ltd. v. SAP America, Inc. et al.</i> , No. 2:24-cv-00021-JRG (E.D. Tex.)
2020	Exhibit C-5 to Petitioner’s Invalidity Contentions, served May 20, 2024, in <i>Valtrus Innovations Ltd. v. SAP America, Inc.</i> , No. 2:24-cv-00021-JRG (E.D. Tex.)
2021	U.S. Patent No. 6,173,377 to <i>Yanai et al.</i>
2022	[Proposed] Fourth Amended Docket Control Order in <i>Valtrus Innovations Ltd. v. SAP America, Inc.</i> , No. 2:24-cv-00021-JRG, Dkt. No. 147-1 (E.D. Tex. filed Apr. 30, 2025)

Pursuant to the Memorandum titled “*Interim Processes for PTAB Workload Management*,” dated March 26, 2025 (“the Interim Processes Memo”; EX2001) and the Notice Extending Deadline for Discretion Briefing (Paper 6), Patent Owner respectfully submits this brief explaining why the Director, in consultation with a Board panel, should exercise her discretion to deny institution of Petitioner’s Petition for *Inter Partes* Review (Paper 1).

As detailed below, with a trial involving the same parties and patent set to occur approximately *eleven* months before any final written decision, each *Fintiv* factor favors denial. Moreover, in its Ground 2, Petitioner relies upon a reference for which the identical disclosure was expressly considered by the Examiner during prosecution. This further counsels toward denial.

I. THE DIRECTOR SHOULD EXERCISE HER DISCRETION TO DENY INSTITUTION UNDER 35 U.S.C. §314(a) BECAUSE EVERY *FINTIV* FACTOR FAVORS DENIAL

The Director should exercise her discretion under 35 U.S.C. §314(a) to deny institution “because institution of a trial at the PTAB would be an inefficient use of Board resources in light of the ‘advanced state’ of the parallel district court litigation...” *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, 2 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”).

Under *Fintiv*, to determine whether to deny institution, the Director considers six non-exhaustive 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.

Fintiv, IPR2020-00019, Paper 11, 6.

Here, there is ongoing parallel district court litigation—which is soon to reach its conclusion—involving the same parties and patent. **Each *Fintiv* factor favors denial:** (i) there is no stay in the parallel litigation, nor has one been requested (and any stay at the advanced stage of the district court case would be unprecedented and extremely unlikely); (ii) trial is scheduled approximately *eleven* months before the Board's Final Written Decision would issue; (iii) there has already been heavy investment in the district court proceeding by both the parties and the district court and, by the time of any institution decision, basically all that will be left is trial; (iv) Petitioner's "upgraded" stipulation is effectively meaningless as it can continue to rely upon system art in various combinations, as well as the very same arguments, leaving it free to pursue two "bites at the [invalidity] apple"; (v) it is undisputed that

the parties (or their RPIs) are the same in district court and here; and (vi) as Patent Owner previews below and will explain in detail in its forthcoming Patent Owner Preliminary Response, the merits of Petitioner’s arguments are weak, including, among other reasons, because both of Petitioner’s grounds rely on references that are *not* prior art.

And the facts in this case are similar to—and even more compelling than—numerous Board decisions denying institution under *Fintiv*, as well as a recent Director Review decision vacating an institution decision. *See also, e.g., Motorola Sols., Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19, 2-4 (PTAB Mar. 28, 2025) (granting Director Review, Vacating the Decision Granting Institution, and Denying Institution of *Inter Partes* Review under *Fintiv* factors, where petitioner offered *Sotera* stipulation but trial was set “eleven months before the Board’s projected final written decision date”) (“*Motorola Director Review*”).

In short, and as explained in more detail below: institution would be a waste of resources for both the Board and the parties. Patent Owner therefore respectfully submits that the Director should exercise her discretion to deny institution.

A. Factor 1 Favors Denial Because There is No Stay of the Parallel District Court Litigation, and a Stay is Highly Unlikely

Factor 1 favors denial when, as here, a district court stay is unlikely. *See 10x Genomics, Inc. v. President & Fellows of Harvard Coll.*, IPR2023-01299, Paper 15, 16 (PTAB Mar. 7, 2024) (“*10x Genomics*”); *Samsung Elecs. Co., Ltd. v. California*

Inst. of Tech., IPR2023-00133, Paper 10, 14 (PTAB May 4, 2023) (“*California Inst.*”);¹ *see also Fintiv*, IPR2020-00019, Paper 11, 6-8.

The district court has not granted a stay, no evidence exists that a stay may be granted if a proceeding is instituted, Petitioner has never moved (or indicated that it intends to move) for a stay, and, in fact, a stay—even if sought—is extremely unlikely to be granted. The presiding judge in the parallel district court case—Judge Gilstrap of the Eastern District of Texas—rarely grants stays, and, to Patent Owner’s knowledge, has never granted a stay under facts similar to those here.

As Judge Gilstrap has stated, “[d]istrict courts typically consider three factors when determining whether to grant a stay pending inter partes review of a patent in suit: (1) whether the stay will unduly prejudice the nonmoving party, (2) whether the proceedings before the court have reached an advanced stage, including whether discovery is complete and a trial date has been set, and (3) whether the stay will likely result in simplifying the case before the court.” *Force MOS Tech., Co. v. ASUSTek Comput., Inc.*, 2024 WL 1586266, *1 (E.D. Tex. Apr. 10, 2024) (Gilstrap, J.) (quoting *NFC Tech. LLC v. HTC Am., Inc.*, 2015 WL 1069111, *2 (E.D. Tex. Mar. 11, 2015)).

¹ The petitioner’s rehearing request and Precedential Opinion Panel Review request were denied. *California Inst.*, IPR2023-00133, Papers 13-14.

Each of these factors weighs against a stay, consistent with numerous decisions from Judge Gilstrap.

First, as Judge Gilstrap has routinely found, a stay would prejudice Patent Owner from its timely enforcement of its patent rights and recovery of monetary damages. *See, e.g., Force MOS*, 2024 WL 1586266, *2-3 (denying stay and collecting cases); *Realtime Data LLC v. Actian Corp.*, 2016 WL 3277259, *2 (E.D. Tex. June 14, 2016) (Gilstrap, J.) (denying stay and noting prejudice to patent owner) (“*Realtime Data*”); EX2003, 4 (*Netlist, Inc. v. Samsung Elecs. Co., Ltd.*, No. 2:22-cv-293-JRG, Dkt. No. 689, 4 (E.D. Tex. Mar. 11, 2024) (Gilstrap, J.) (denying stay and noting the “fact that [patent owner] is seeking solely monetary damages does not mean that [patent owner] cannot be prejudiced by a significant delay of an imminent trial date”)); *Blitzsafe Texas, LLC v. Maserati N. Am. Inc.*, 2021 WL 12136774, *1 (E.D. Tex. Jan. 26, 2021) (Gilstrap, J.) (denying stay and finding that “a stay would unduly prejudice the patentee..., who has an interest in timely enforcement of its patents rights.”); *Koninklijke KPN N.V. v. Telefonaktiebolaget LM Ericsson*, 2022 WL 17484264, *2 (E.D. Tex. July 7, 2022) (Gilstrap, J.) (“Here, where fact discovery, expert discovery, and pre-trial motion practice are complete and [patent owner] KPN has already incurred the majority of its expenses associated

with this litigation, a delay of the imminent trial date and the assertion of its patent rights unduly prejudices KPN.”) (“*Koninklijke*”).²

Second, the proceedings before the district court have reached an advanced stage: by the time of any institution decision (expected August 19, 2025), the parties will have completed fact and expert discovery, depositions, expert reports, claim construction, dispositive motions, and pre-trial briefing; have had the pre-trial conference; and be approximately one month from trial. *See* EX2022, 1-3 (trial set

² Because it is “universal practice” to deny pre-institution stays in cases before Judge Gilstrap, EX2010, 1 (Order denying stay in *Cardware Inc. v. Samsung Elecs. Co., Ltd.*, No. 2:22-cv-00141-JRG-RSP, Dkt. No. 64, 1 (E.D. Tex. Feb. 16, 2023) (Gilstrap, J.)), the appropriate timing for considering a stay motion is after institution decisions. *See also Croga Innovations, Ltd. v. Cisco Sys., Inc.*, No. 2:24-cv-00065-JRG, 2025 WL 1117472, *2 (E.D. Tex. Apr. 15, 2025) (Gilstrap, J.) (denying stay and finding that stage of the case appropriate to consider as of institution where “movant receives benefit of post-motion facts”). However, regardless of whether the timing is considered now or at institution, as explained herein, it is a near certainty that a stay (if sought) will be denied.

for September 22, 2025 and other case deadlines);³ EX2015, 1-4 (prior Docket Control Order with same trial date and earlier deadlines); EX1012, 1-3 (same). Judge Gilstrap has routinely found cases with similar (and even less advanced) timelines to be at an advanced stage. *See, e.g., Force MOS Tech.*, 2024 WL 1586266, at *3 (denying stay where the substantial completion of discovery and exchange of contentions indicated a relatively advanced stage); EX2003, 4 (*Netlist*, No. 2:22-cv-293-JRG, Dkt. No. 689, 4 (denying stay and noting factor weighs against stay where “parties have engaged in substantial discovery, claim construction, and have served expert reports” and “trial is only a few months away”))).

Moreover, Judge Gilstrap has found that a petitioner/defendant’s delay and lack of diligence in filing a petition for *inter partes* review—as here, where

³ EX2022 is a proposed amended docket control order. The Court has not yet entered it, but Patent Owner expects that will happen soon. Regardless, it does not impact the *Fintiv* analysis, including because the trial date remains unchanged. *See also* EX2015, 1. Note also: except for patents (cited by column and line number) and citations to paragraph numbers, Patent Owner uses the exhibit page numbering in the lower righthand corner of the Exhibits.

Petitioner waited nearly 12 months, EX2004, 3; EX1009 ¶¶5, 41-48⁴—additionally weighs against a stay. *See, e.g., Realtime Data*, 2016 WL 3277259, *3 (“All Defendants waited between seven and eleven months to file their IPR petitions and between one month and seven months after the petitions to file the current motion, which demonstrates a lack of diligence on the part of the Defendants, and they have not attempted to provide an explanation for this unjustifiable delay.”).

Finally, a stay will not meaningfully (if at all) simplify the case before the district court. Any possible simplification is speculative, and “is not a given.” EX2003, 5 (*Netlist*, No. 2:22-cv-293, Dkt. No. 689, 5). Further, Petitioner has raised several other defenses, including invalidity based on patents, printed publications, and system art, and invalidity under §101 and §112. *See, e.g.,* EX1015 (invalidity cover pleading). Casting additional doubt on any potential simplification, there are three other patents remaining in the district court case (in addition to the ’182 Patent), with overlapping subject matter. And of course, a final written decision will not resolve any of the infringement allegations.

⁴ Petitioner was served with the Complaint on January 17, 2024, EX2004, 3; EX1009 ¶¶5, 41-48—making its statutory deadline January 17, 2025. 35 U.S.C. §315(b). Petitioner waited until three days before its statutory deadline, January 14, 2025, to file its Petition (Paper 1).

Because there is no stay and it is extremely unlikely there ever will be, Factor 1 weighs against institution. *See 10x Genomics*, IPR2023-01299, Paper 15, 16; *California Inst.*, IPR2023-00133, Paper 10, 14.

B. Factor 2 Strongly Favors Denial Because the District Court’s Trial Date is Approximately 11 Months Before a Final Written Decision

Where, as here, “the district court’s trial date is before the projected deadline for the final written decision, the Board has generally weighed this fact in favor of exercising discretion” to deny institution. *10x Genomics*, IPR2023-01299, Paper 15, 16; *see also Fintiv*, IPR2020-00019, Paper 11, 6. “[T]he Board may consider any evidence that the parties make of record that bears on the proximity of the district court’s trial date..., including median time-to-trial statistics for civil actions in the district court in which the parallel litigation resides.” EX2002, 1, 3 (Guidance on USPTO’s rescission of “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation,” dated Mar. 24, 2025).

There can be no credible debate that Factor 2 ***strongly*** favors denying institution of the instant Petition.

First, the district court’s trial date is set for September 22, 2025 (20.2 months from filing) and has not changed since it was set. EX2022, 1; EX2015, 1; EX1012, 1. And it “cannot be changed without an acceptable showing of good cause.” EX2022, 4; EX2015, 4. The projected statutory deadline for a final written decision is not until August 19, 2026—nearly ***eleven months after*** trial in district court.

Under numerous Board decisions (and a recent Director Review decision), this timeline “strongly” favors denial. *See, e.g., Dell Inc. v. Universal Connectivity Techs, Inc.*, IPR2024-01480, Paper 12, 9-10 (PTAB Apr. 24, 2025) (factor “*strongly* favors exercising discretionary denial” where “trial is set about six months before a final written decision” and, like here, the “trial setting [before Judge Gilstrap] ‘cannot be changed without an acceptable showing of good cause’”) (emphasis added); *Roku, Inc. v. Ioengine, LLC*, IPR2022-01553, Paper 11, 10-11 (PTAB May 5, 2023) (finding that a district court trial six months before a final written decision “weighs *heavily* in favor of discretionary denial of institution”) (“*Roku*”) (emphasis added); *Samsung Elecs. Am., Inc. v. Uniloc 2017 LLC*, IPR2019-01218, Paper 7, 7-10 (PTAB Jan. 7, 2020) (denying institution where jury selection was scheduled for approximately six months before final written decision); *Next Caller Inc. v. TrustID, Inc.*, IPR2019-00961, Paper 10, 8-16 (PTAB Oct. 16, 2019) (denying institution where trial was scheduled to conclude “several months before a final decision would be due”) (“*Next Caller*”); *Cisco Sys., Inc. v. Ramot at Tel Aviv Univ. Ltd.*, IPR2020-00122, Paper 15, 8 (PTAB May 15, 2020) (“Because the trial date is substantially earlier than the projected statutory deadline for the Board’s final decision, this factor weighs in favor of discretionary denial.”); *Samsung Elecs. Co., Ltd. v. Clear Imaging Rsch., LLC*, IPR2020-01399, Paper 13, 15 (PTAB Feb. 3, 2021) (denying institution where parallel district court case was scheduled to begin “about *ten months* before a

Final Written Decision would be due in this IPR proceeding”) (“*Clear Imaging*”) (emphasis in original); *see also Motorola Director Review*, IPR2024-01205, Paper 19, 3 (vacating decision to institute where district-court trial was set “eleven months before the Board’s projected final written decision date”).⁵

The actual time-to-trial date (20 months, 7 days or 20.2 months) is consistent with the median time-to-trial for patent cases before the presiding judge, Judge Gilstrap. For example, for patent cases filed between January 1, 2020 and March 31, 2025 before Judge Gilstrap, the median time-to-trial was 20.3 months. EX2005, 1-

⁵ While this Director Review citation is in the context of Factor 3, the original Board panel found that Factor 2 favored denial. *Motorola Sols., Inc. v. Stellar, LLC*, IPR2024-01205, Paper 11, 10-11 (PTAB Feb. 13, 2025) (“*Motorola Board Decision*”). The Director Review did not specifically revisit Factor 2 in vacating the institution decision; rather it found that “[t]he Board’s analysis of factors 3 and 4, and overall weighing of the *Fintiv* factors was erroneous” and noted that “the [*Sotera*] stipulation does not outweigh the substantial investment in the district court proceeding or *Fintiv* factors 1, 2, and 5, which the Board found weighed in favor of denial.” *See Motorola Director Review*, IPR2024-01205, Paper 19, 2, 4. In other words, as in *Motorola* and numerous other decisions, there can be no credible debate that the trial setting here results in Factor 2 significantly favoring denial.

2; *see also Samsung Elecs. Co., Ltd. v. Mojo Mobility Inc.*, IPR2023-01093, Paper 11, 12-13 (PTAB Jan. 8, 2024) (“*Mojo Mobility*”) (“The fact that the time-to-trial statistics cited by Petitioner predict an even earlier trial date than that set by Judge Gilstrap merely confirms that the schedule set by the district court is credible and should be given weight.”); *Google LLC v. Cerence Operating Co.*, IPR2024-01465, Paper 15, 9 (PTAB Apr. 23, 2025) (“[T]he district court has set a trial date ... almost seven months before the final written decision in this proceeding would be due.... Although a number of cases may be scheduled for jury selection on the same day as the District Court Litigation, nothing in the record indicates a trial in the District Court Litigation would not take place months before our deadline to reach a final decision.”) (“*Cerence*”).

And even if the median time-to-trial in the Eastern District of Texas generally is used, Factor 2 still strongly favors denial. The most recent median time-to-trial is 23.0 months. EX2006, 5 (E.D. Tex. statistic for cases “from filing to trial (civil only)”). Using these district-wide statistics for civil cases—which are not as accurate as the actual trial date (only a few months away) or Judge Gilstrap’s own statistics for patent cases—the trial date would still be over eight months before a final written decision.

Petitioner’s only effort to dissuade the Director from issuing a discretionary denial is to misstate the district court record. Petition (Paper 1), 97-98. Petitioner

misleadingly (and incorrectly) asserts that “the trial date is not currently set (though jury selection is set for September 22, 2025).” Petition (Paper 1), 97. Jury selection is the beginning of a trial, and in Judge Gilstrap’s court, jury selection means trial date. *See, e.g., Polaris PowerLED Techs., LLC v. Samsung Elecs. Am., Inc.*, 2024 WL 1149223, *3-4 (E.D. Tex. Mar. 15, 2024) (Gilstrap, J.) (using “trial date” and “jury selection” interchangeably including that “trial is not until October 28, 2024” and “the trial date in this case begins with jury selection on October 28, 2024”) (cleaned up); *Koninklijke*, 2022 WL 17484264, *1 (“the trial date is set shortly thereafter on August 22, 2022”) (citing EX2009 (Dkt. No. 203) (“Jury selection” set for “August 22, 2022”)); *Ambato Media, LLC v. Clarion Co., Ltd.*, 2012 WL 194172, *1-2 (E.D. Tex. Jan. 23, 2012) (Gilstrap, J.) (using “jury selection” and “trial date” interchangeably).

As to Petitioner’s remaining argument concerning alleged lack of standing, such argument is factually baseless and irrelevant—it not only misrepresents Patent Owner’s positions, but, importantly, ***has already been rejected by the district court.*** Specifically, the district court found Patent Owner to have Article III standing, and resolved any concern about satisfying 35 U.S.C. §281 requirements by having Patent Owner’s parent, Key Patent Innovations, Ltd., join the lawsuit, thereby allowing the case to proceed on the same schedule. *See* EX2008. The court has now also consolidated the protective-complaint action (what Petitioner refers to as *Valtrus II*)

with the original action, and put it on the same case schedule. *See* EX2013. Thus, the parallel district court case has been, and continues to be, on track for trial in September 2025. Nothing in the record indicates that will change.⁶ In fact, the record confirms the court intends to keep the September 2025, trial setting: the court has already denied Petitioner’s attempt to stay the case in view of these issues (as well as Petitioner’s failed transfer attempt). *See Valtrus Innovations Ltd. v. SAP Am., Inc.*, 2024 WL 5110052, *8 (E.D. Tex. Dec. 13, 2024). As the district court noted, “Plaintiff is correct that the case *was (and continues to be) ‘smoothly proceeding’* to

⁶ Petitioner also mentions its declaratory judgment complaint for non-infringement involving the ’182 Patent. Petition (Paper 1), 98. This too is irrelevant. Petitioner omits that there is no infringement or invalidity assertion in that case, and that any invalidity issues will be tried in the “*Valtrus I*” trial in September 2025 (and thus Petitioner will be estopped in the declaratory judgment action, should it ever attempt to add them). Petitioner also omits that it delayed its original declaratory judgment case (which did not include the ’182 Patent), by voluntarily dismissing it (while Patent Owner’s motion to dismiss was pending) and refiling a new case (over six months after the first was filed adding the ’182 Patent). *See* EX2016, 13-15 (exhibit page numbers). Moreover, Patent Owner has moved to dismiss the complaint in the new case, *see* EX2016, EX2017, which motion remains pending.

trial when Defendants filed the Motion to Transfer.” *Id.*, *6 (emphasis added). That continues to be true today; indeed, the Federal Circuit has also denied Petitioner’s petition for writ of mandamus seeking transfer. *See In re SAP Am., Inc.*, 133 F.4th 1370 (Fed. Cir. 2025).

Therefore, according to the court’s schedule, the presiding judge’s statistics for patent cases specifically, and even considering the median court statistics for civil cases generally, trial will occur well before any final written decision. This factor therefore heavily favors discretionary denial.

C. Factor 3 Strongly Favors Denial Because of the Significant Investment in the Parallel Proceeding by the Court and the Parties

In evaluating Factor 3, the Director should “consider[] 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, 9. Delay in filing a petition further weighs in favor of denial. *See 10x Genomics*, IPR2023-01299, Paper 15, 18-19; *Ericsson Inc. v. Collision Commc’ns, Inc.*, IPR2022-01233, Paper 12, 14-15 (PTAB Jan. 19, 2023) (“*Ericsson*”).

Like Factor 2, there can be no credible debate that Factor 3 ***strongly*** favors denying institution of the instant Petition.

Both the district court and the parties have already invested substantial time and resources in the parallel litigation (including for infringement and invalidity,

among other things) and will continue to do so before any institution decision. *See Fintiv*, IPR2020-00019, Paper 11, 9; *Ericsson*, IPR2022-01233, Paper 12, 14-15.

As of the filing of this brief, the parties have completed claim construction, infringement and invalidity contentions, and fact discovery including the exchange of tens of thousands of documents, review of source code, service of third-parties subpoenas by Petitioner seeking documents concerning potential system prior art (and the receipt of documents in response), and the taking of well over a dozen depositions (including party and third-party fact witnesses pertaining to infringement and invalidity issues, among other things). EX1012, 3-5; EX2015, 4; EX2022, 3. The parties fully briefed claim construction, and the district court held a *Markman* hearing in mid-March 2025. EX1012, 4-5. Technical and damages experts have been retained and are drafting expert reports. EX2022, 3. The parties also fully briefed (and the district court denied) Petitioner's motion to transfer venue, *see Valtrus Innovations Ltd. v. SAP Am., Inc.*, 2024 WL 5110052 (E.D. Tex. Dec. 13, 2024), as well as Petitioner's motion to dismiss, EX2008, 15 (denied-in-part and granted-in-part). The Federal Circuit also denied Petitioner's petition for writ of mandamus seeking to compel the district court to transfer the case. *See In re SAP Am., Inc.*, 133 F.4th 1370 (Fed. Cir. 2025).

By the time of the Patent Owner Preliminary Response (“POPR”, due May 19, 2025), the parties will additionally have served initial expert reports (including pertaining to invalidity, infringement, and damages). EX2022, 3; EX2015, 3.

And, by the time of potential institution in late-August 2025—the relevant timing under *Fintiv*—even more work will have been done: the case will be approximately one month from trial, with expert discovery complete, the court having issued its claim construction order (and likely sooner), dispositive and pre-trial motions filed and fully briefed, the pretrial order submitted, and the final pretrial conference already conducted. EX2022, 1-3; EX2015, 1-4. All that will remain is to try the case. EX2022, 1; EX2015, 1.

The Director and the Board have routinely found this factor to strongly favor denial under similar circumstances—and even when less investment has been made. *See Motorola Director Review*, IPR2024-01205, Paper 19, 3 (Factor 3 “strongly favors discretionary denial” where trial date was 11 months before final written decision, and by the time of the POPR, the parties had served infringement and invalidity contentions, opening and rebuttal expert reports, filed claim construction briefs, and conducted several depositions, and the court had held a *Markman* hearing and construed the disputed terms); *Roku*, IPR2022-01553, Paper 11, 11-12 (finding Factor 3 weighed “heavily” in favor of denial due to the “completion of preliminary disclosures and claim construction, and the near-completion of discovery.”); *Mojo*

Mobility, IPR2023-01093, Paper 11, 13-14 (finding Factor 3 weighed in favor of denial because “[f]act discovery is well underway (the deadline to ‘substantially complete document production’ has passed, fact discovery is set to close a little more than two months after the issuance of this decision) and substantial preparation for a... Markman Hearing (including briefing) will be completed by [institution].”); *see also California Inst.*, IPR2023-00133, Paper 10, 15-16 (“We consider [validity expert] work significant because it relates directly to the merits of the parties’ invalidity positions.”) (citing *Sand Revolution II, LLC v. Continental Intermodal Group – Trucking LLC*, IPR2019-01393, Paper 24, 10-11 (PTAB June 16, 2020) (informative) (“*Sand Revolution*”)); *Charter Commc’ns, Inc. v. Adaptive Spectrum and Signal Alignment, Inc.*, IPR2024-01379, Paper 16, 13 (PTAB Apr. 17, 2025).

The significant investment in the parallel district court was compounded by Petitioner’s decision to wait until three days before the statutory deadline to file its Petition (filed January 14, 2025). Petitioner was served with the Complaint explaining Patent Owner’s infringement theories on January 17, 2024. EX2004, 3. Patent Owner served its infringement contentions on March 11, 2024, EX2007, 1, meaning that Petitioner knew full well the entire scope of the case and which claims were at issue for over *nine* months before filing this Petition.

Petitioner’s choice to delay filing its Petition until days before the statutory deadline ensured that the court’s trial date (which the court announced at the March

25, 2024 scheduling conference, over eight months before Petitioner’s filing) would come nearly eleven months before the projected date for a final written decision (August 19, 2026). This delay further weighs heavily against institution. *See 10x Genomics*, IPR2023-01299, Paper 15, 18-19 (finding that waiting to file a petition “one year after [Petitioner] was served with the counterclaim for infringement” “and nine months after receiving the initial infringement contentions weighs in favor of exercising our discretion to deny institution”); *Ericsson*, IPR2022-01233, Paper 12, 14-15 (finding factor weighed in favor of denial when petition was filed almost one year from parallel proceeding and nine months after infringement contentions).

Petitioner’s principal argument on Factor 3 is that it has challenged claims not asserted in the district court case. Petition (Paper 1), 98. All but one of the challenged claims identified by Petitioner were previously asserted by Patent Owner, EX2011, 2;⁷ EX2012, 3-4; EX2014, 1, with those that were dropped being a result of the claim narrowing process required under the governing Docket Control Orders. EX2015, 4; EX1012, 4-5; *see also* EX2012, 3-4; EX2014, 1. Regardless, the parties and the district court have expended significant resources in district court involving infringement and invalidity issues for the ’182 Patent. It would also make no sense—and would run counter to conserving the Board’s resources—to institute simply to

⁷ Patent Owner initially asserted claims 1-7 and 9-18, but not claim 8. EX2011, 2.

address claims that are *not* asserted against Petitioner (which would necessitate instituting for the claims that are asserted as well). Petitioner should also not be rewarded for its choice to delay the filing of its Petition until after Patent Owner had already narrowed its case. If Petitioner had been even modestly diligent (as *Fintiv* and its progeny encourage), all but one challenged claim would have remained asserted. Or Petitioner could have filed its IPR Petition against only the remaining asserted claims at the time of the Petition, thereby reducing the burden on the Board's resources.

Moreover, the Board has frequently denied institution, even if additional claims are challenged. *See, e.g., Clear Imaging*, IPR2020-01399, Paper 13, 21 (“At the outset, the mere existence of non-overlapping claims does not support Petitioner’s position that this factor favors institution.”); *Supercell Oy v. Gree, Inc.*, IPR2020-00513, Paper 11, 12 (PTAB June 24, 2020) (Factor 3 favors denial where “substantial resources have been expended by both the district court and the parties”) (“*Supercell*”); *Next Caller*, IPR2019-00961, Paper 10, 14 (denying institution where although petitions challenged 52 claims, and district court case involved only 7 claims, “the claims in all proceedings are directed to analyzing calling party number information to verify the trustworthiness and credibility of the calling party number in a telecommunication network”); *Kiss Nail Prods., Inc. v. Lashify, Inc.*, PGR2021-

00046, Paper 12, 15 (PTAB Aug. 9, 2021) (denying institution despite additional claims being challenged in petition) (“*Kiss Nail*”).

Petitioner also does not explain the similarities (or differences) among the asserted and dropped claims. Petition (Paper 1), 98; EX2012, 3-4; EX2014, 1. Indeed, there is significant overlap among the asserted and dropped claims, EX1001, 28:63-32:4 (claims),⁸ as confirmed by (i) Petitioner’s reliance in the Petition on the same arguments for both asserted and dropped claims (*e.g.*, Petitioner points back to dropped claims 2, 9, 12, 13, and 14 (as well as asserted claim 1) for its asserted claims 17 and 18 analysis and to asserted claim 1 for its non-asserted claim 8 analysis), Petition (Paper 1), 65, 90-96; (ii) Petitioner’s reliance in its invalidity contentions on the same citation that allegedly shows invalidity for both asserted and dropped claims, EX2020, 25-30, 40-42 (relying solely on same excerpt to allegedly show invalidity for claims 13-16, and pointing back to both asserted and dropped claims for asserted claim 18); and (iii) the claims’ dependencies (*e.g.*, the district court will necessarily address at least portions of the dropped claims by virtue of the claims from which they depend being asserted). *See also Clear Imaging*, IPR2020-01399, Paper 13, 22 (“[S]ome of the non-overlapping claims (*e.g.*, claims 1, 2, 21,

⁸ The remaining asserted claims in district court are claims 1, 6, 10, 16, 17, and 18. EX2014, 1.

and 22) recite similar limitations as those recited in claims 10, 12, and 20 that are asserted in the parallel litigation. Therefore, notwithstanding that there are non-overlapping claims, this factor does not weigh against exercising our discretion to deny institution under §314(a).”) (internal citation omitted). Regardless, even if the challenge to additional claims is found to weigh in favor of institution, this fact alone cannot override the parties’ significant investments and Petitioner’s delay, explained above.

Accordingly, given the significant investment in the parallel district court case, compounded by Petitioner’s unexplained delay in filing its Petition, Factor 3 weighs strongly in favor of discretionary denial.

D. Factor 4 Favors Denial Because Petitioner’s Stipulation Leaves the District Court Litigation With Substantially Overlapping Claims and Arguments

This factor favors denial, where, as here, “the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding.” *Fintiv*, IPR2020-00019, Paper 11, 12; *Ericsson Inc. v. Godo Kaisha IP Bridge 1*, IPR2022-00726, Paper 11, 11 (PTAB Nov. 2, 2022) (“*Godo Kaisha*”) (same).

Petitioner’s initially offered stipulation is very narrow: “Petitioner hereby stipulates that, if the IPR is instituted, it will not pursue the IPR grounds in the district court.” Petition (Paper 1), 99. Petitioner just last week reached out to Patent Owner

and the Board seeking to “upgrade” its stipulation to a “*Sotera*-style stipulation,” and filed the “upgraded” stipulation on May 6, 2025 stating: “Petitioners SAP America, Inc. and SAP SE (collectively ‘SAP’)⁹ hereby stipulate that if the PTAB institutes *inter partes* review of U.S. Patent 7,152,182 (the ‘182 patent’) in this proceeding, SAP will not pursue, against the 182 patent in the parallel district court proceedings, the specific grounds asserted in this *inter partes* review or any other ground that could have been raised in this *inter partes* review.” EX1017, 2.

Even with this new stipulation, if considered, it still permits Petitioner *two* effective bites at the apple because it allows Petitioner to assert various prior art (and the very *same* arguments)—including patents, patent application publications, and system art, and combinations thereof—in district court (which, unsurprisingly, it is in fact doing). *See also Ingenico Inc. v. IOENGINE, LLC*, --- F.4th ----, 2025 WL 1318188, *5-7 (Fed. Cir. May 7, 2025) (resolving district court split and holding that estoppel under 35 U.S.C. §315(e) is limited to patents and printed publications but “does not preclude a petitioner from relying on the same patents and printed publications as evidence in asserting a ground that could be not be raised during the

⁹ At varying times, the Petition refers to SAP America, Inc. as the Petitioner, but SAP SE is identified as an RPI. Petition (Paper 1), 17; *see also* Power of Attorney (Paper 2), 1-3 (for Petitioner SAP America, Inc. only).

IPR, such as that the claimed invention was known or used by others, on sale, or in public use,” even if cumulative); FAQs for Interim Processes for PTAB Workload Management, FAQ No. 14 (“Interim Processes FAQs”)¹⁰ (“The Director will take into account whether the stipulation materially reduces overlap between the proceedings. Where the petitioner is relying on corresponding system art in a co-pending proceeding and/or several other invalidity theories, a stipulation may not be particularly meaningful because the efficiency gained by any AIA proceeding will be limited.”); *c.f. Motorola Director Review*, IPR2024-01205, Paper 19, 3-4 (vacating decision to institute, despite *Sotera* stipulation, where “Petitioner’s stipulation does not ensure that these IPR proceedings would be a ‘true alternative’ to the district court proceeding. Petitioner’s invalidity arguments in the district court are more expansive and include combinations of the prior art asserted in these proceedings with unpublished system prior art, which Petitioner’s stipulation is not likely to moot.”) (internal citation omitted).

Petitioner misleadingly asserts in its Petition that “Ofek [is not] at issue in the District Court Litigation.” Petition (Paper 1), 99. But Petitioner is continuing to rely in district court on a different “Ofek” (U.S. Patent No. 5,889,935, “Ofek ’935”) that

¹⁰ Available at <https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management>.

is related to and shares an *identical* disclosure to the Petition's *Ofek*. EX1015, 13 (identifying Ofek '935 as prior art in district court);¹¹ EX2012, 1 (asserting Ofek '935 against the '182 Patent). Both the Petition's *Ofek* and Ofek '935 are divisionals from the same patent (U.S. Patent No. 5,742,792), were filed on the same day, and include the same figures and the same patent specification. *Compare* EX1007 with EX2018. And under Petitioner's apparent stipulation, Petitioner can still use the identical Ofek '935 in combination with system art, to make the very same arguments in district court that it made in its Petition.¹²

¹¹ Patent Owner again notes that the page numbering references to the exhibit pagination in the lower righthand corner (*e.g.*, in EX1015, exhibit page 13 corresponds to numbered page 11 of the document).

¹² As explained in Section II, *infra*, Petitioner also misleadingly asserts that *Ofek* was not "cited nor considered by the Examiner during prosecution." Petition (Paper 1), 96. But several related references sharing the identical specification were, including Ofek '935. EX1001, Cover Page; EX1002, 93-94 (using Ofek '935 as part of a Section 103 rejection). Similarly, the Examiner relied upon U.S. Patent No. 6,173,377 to inventors Yanai, Ofek, and others (EX2021), which also shares a common specification and the same parent. EX1001, Cover Page; EX1002, 37-46.

In district court, Petitioner also continues to rely on “system art,” including “ASE” and “ServiceGuard,” EX1015, 21-22, 59;¹³ EX2012, 1. In the district court litigation, Petitioner has asserted the underlying documents for these systems are also printed publications, and has proffered invalidity claims by combining this art with other system art, patents, and printed publications, EX1015, 59, 21-22; EX2019, 1-2, 8-10, including, among other references, Ofek ’935, EX2019, 16 (“In combination with other references charted separately and/or in combination with the knowledge of a person of ordinary skill, U.S. Patent No. 5,889,935 (‘Ofek’) renders obvious the ’182 Patent.”). Indeed, Petitioner has asserted that the “system art” may be combined in numerous ways, effectively rendering its “upgraded” stipulation meaningless. For example, Petitioner has asserted that “ASE” and “ServiceGuard” can be used “in combination with” various other references (or the other references can be combined with the “system art”):

¹³ As mentioned above, the pagination (here and throughout) is to the numbering in the lower righthand corner.

'182 Patent (see Exhibit CO)

ASE	Alone or in combination with	Beal, Margerie, Ruuth, ServiceGuard and/or the references in Exhibit CO.
Beal	Alone or in combination with	ASE, Margerie, Ruuth, ServiceGuard and/or the references in Exhibit CO.
Margerie	Alone or in combination with	ASE, Beal, Ruuth, ServiceGuard and/or the references in Exhibit CO.
Ruuth	Alone or in combination with	ASE, Beal, Margerie, ServiceGuard and/or the references in Exhibit CO.
ServiceGuard	Alone or in combination with	ASE, Beal, Margerie, Ruuth and/or the references in Exhibit CO.

EX1015, 59; *see also* EX2019, 13-18 (references in Exhibit CO); EX2012 (remaining references asserted including ASE, ServiceGuard, Margerie, Ruth, Froemke, and Ofek '935).

It is also noteworthy that Petitioner's stipulation is limited to "the specific grounds asserted in this *inter partes* review or any other ground that could have been raised in this *inter partes* review," if instituted. EX1017, 2. Importantly, just as in *Cerence*, this leaves Petitioner to pursue the very same *arguments*, just not using the same *art* in the same way (*i.e.*, as patents or printed publications). *See Cerence*, IPR2024-01465, 12 n.1; *see also Ingenico*, 2025 WL 1318188, *5-7.

Thus, while Patent Owner submits that the facts here favor denial given the continued significant overlap (under both the original and newly "upgraded" stipulation, if considered), even if the Director finds otherwise, it would not change the result. In that respect, this case would then be analogous to the recent *Motorola Director Review* decision vacating a decision to institute and denying institution—

where, like here, there was no stay, the parties were the same in both proceedings, significant investment had occurred in the district court case, and trial was approximately 11 months before any final written decision. *Motorola Director Review*, IPR2024-01205, Paper 19, 4 (vacating decision to institute and denying institution, where “although Petitioner’s *Sotera* stipulation may mitigate some concern of duplication between the parallel proceeding and this proceeding, the stipulation does not outweigh the substantial investment in the district court proceeding or *Fintiv* factors 1, 2, and 5, which the Board found weighed in favor of denial.”); *Motorola Board Decision*, IPR2024-01205, Paper 11, 10-11 (finding that factors 1, 2, and 5 favored denial); *see also Apple Inc. v. Haptic, Inc.*, IPR2024-01476, Paper 12, 12, 15 (PTAB Apr. 4, 2025) (denying institution despite *Sotera* stipulation where “holistic balancing of the *Fintiv* factors weigh[ed] in favor of discretionary denial”) (“*Haptic*”); *Cerence*, IPR2024-01465, Paper 15, 12-13 (denying institution and noting that Petitioner’s “*Sotera*-type stipulation” “does not ... ensure [the IPR] proceeding would be a ‘true alternative’ to the District Court Litigation” where the petitioner continued to rely in district court on numerous references, including system art, and combinations thereof).

As to the additional claims being challenged in the IPR Petition, as explained above for Factor 3, there remains significant overlap between the asserted and dropped claims. *See* §I.C, *supra*; *see also, e.g., Clear Imaging*, IPR2020-01399,

Paper 13, 21; *Supercell*, IPR2020-00513, Paper 11, 12; *Next Caller*, IPR2019-00961, Paper 10, 14; *Kiss Nail*, PGR2021-00046, Paper 12, 15. Moreover, because those claims are no longer asserted against Petitioner (with all but one having been dropped during the district court’s ordered claim narrowing process), it is all the more reason to deny institution to avoid the Board having to expend resources on claims that are not asserted against Petitioner in a parallel proceeding. This is especially so, given that, except for claim 8, the only reason there is a difference between challenged claims in the Petition and remaining asserted claims in district court is because Petitioner delayed until the statutory deadline to file its Petition. Such gamesmanship should not be rewarded. *See also* §I.C, *supra*.

E. Factor 5 Favors Denial Because the Parallel District Court Litigation and the Petition Involve the Same Parties

The pending parallel district court case involves the same parties (or their RPIs) and the same challenged patent (a fact undisputed by Petitioner), and the district court case will reach trial well before a final written decision. Accordingly, Factor 5 favors denial. *See Int’l Bus. Machines Corp. v. Digital Doors, Inc*, IPR2023-00970, Paper 7, 13 (PTAB Jan. 12, 2024) (“Because Petitioner here is a defendant in the parallel district court litigation, this factor favors denial of institution under §314(a).”); *Ericsson*, IPR2022-01233, Paper 12, 16 (“Petitioner and the defendant in the district court proceeding are the same party” and thus “this factor weighs in favor of denial.”); *10x Genomics*, IPR2023-01299, Paper 15, 20

(Factor 5 favored denial where parties were the same in both forums and the district court was expected to reach trial before a final written decision).

F. Factor 6 Favors Denial Because Other Circumstances Impact the Director’s Exercise of Discretion, Including the Petition’s Weak Merits

Other circumstances support the Director exercising her discretion not to institute here. Patent Owner will explain in detail, in its forthcoming POPR, the fundamental problems with Petitioner’s grounds, including, among other things, that references in each of Petitioner’s Grounds are not prior art. *See Fintiv*, IPR2020-00019, Paper 11, 15-16 (“full merits analysis” is not necessary to evaluate factor, but “[r]ather, there may be strengths or weaknesses regarding the merits that the Board considers as part of its balanced assessment”); *see also id.*, 15 (“[I]f the merits of the grounds raised in the petition are a closer call, then that fact has favored denying institution when,” as here “other factors favoring denial are present”); *Haptic*, IPR2024-01476, Paper 12, 13.

In accordance with the Interim Processes FAQs, Patent Owner incorporates herein the merit arguments and evidence from its forthcoming POPR by reference. *See Interim Processes FAQ No. 25* (“Notwithstanding the prohibition on incorporation by reference in 37 C.F.R. §42.6(a)(3), when filing a brief for discretionary denial, a patent owner may direct attention to an anticipated POPR and evidence for a discussion of the merits.”).

Beyond the issues that Patent Owner will explain in its forthcoming POPR (including that references in each Ground are not prior art, among other problems with the Grounds that demonstrate Petitioner has not shown a reasonable likelihood of success for any challenged claims), there are additional reasons that further counsel toward denial.

The '182 Patent was filed on June 6, 2003 and issued on December 19, 2006, EX1001, Cover Page, and was in full force until its expiration in January 2025. All maintenance fees were timely paid (including those paid prior to the enactment of the America Invents Act that created *inter partes* reviews). The first time the patent was asserted in litigation was in January 2024, when Patent Owner filed suit against Petitioner. Although Patent Owner appreciates that pre-AIA patents are not, as a matter of law, immune from *inter partes* review proceedings, Patent Owner respectfully submits that the Director should exercise her discretion under the circumstances, based on the settled expectations of when the '182 Patent was filed¹⁴

¹⁴ “Elementary considerations of fairness dictate that individuals should have an opportunity to know what the law is and to conform their conduct accordingly; settled expectations should not be lightly disrupted.” *Landgraf v. USI Film Prods.*, 511 U.S. 244, 265 (1994). That is why “[r]etroactivity is not favored by the law” and “congressional enactments and administrative rules will not be construed to have

and the facts as explained herein, including the efficient use of the Board’s finite resources to address a 13,976 word Petition that relies on references that are not prior art and a 115-page expert declaration that is largely a copy-and-paste of the Petition’s Grounds (including alterations, emphasis, and coloring) and does not add any independent analysis. *See also Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 9, 15-16 (PTAB Aug. 24, 2022) (precedential) (denying institution where petitioner’s expert did not provide any supporting evidence or technical reasoning); Interim Processes FAQ No. 21.

II. THE DIRECTOR SHOULD EXERCISE HER DISCRETION TO DENY INSTITUTION UNDER 35 U.S.C. §325(d) BECAUSE REFERENCES SHARING A COMMON SPECIFICATION WITH PETITIONER’S ART WERE ALREADY CONSIDERED BY THE EXAMINER DURING ORIGINAL PROSECUTION

To determine whether to exercise discretion to deny a Petition under 35 U.S.C. §325(d), the Director uses the two-part *Advanced Bionics* framework. *Advanced Bionics, LLC v. Med-El Electromedizinische Geräte GmbH*, IPR2019-01469, Paper

retroactive effect unless their language requires this result.” *Bowen v. Georgetown Univ. Hosp.*, 488 U.S. 204, 208 (1988). This is particularly so for patents, where “fundamental alterations ... risk destroying the legitimate expectations of inventors in their property.” *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722, 739 (2002).

6, 7 (PTAB Feb. 13, 2020) (precedential) (“*Advanced Bionics*”). Part one requires determining “whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office.” *Id.*, 8. Part two requires determining “whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.” *Id.*

Several non-exclusive factors may be considered in applying the *Advanced Bionics* framework, as set forth in *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 (PTAB Dec. 15, 2017) (precedential as to §III.C.5, first paragraph) (“*Becton, Dickinson*”). *See also Advanced Bionics*, IPR2019-01469, Paper 6, 9. These factors include: “(a) the similarities and material differences between the asserted art and the prior art involved during examination; (b) the cumulative nature of the asserted art and the prior art evaluated during examination; (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection; (d) the extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art; (e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and (f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments.” *Becton, Dickinson,*

17-18. “If, after review of factors (a), (b), and (d), it is determined that the same or substantially the same art or arguments previously were presented to the Office, then factors (c), (e), and (f) relate to whether the petitioner has demonstrated a material error by the Office.” *Advanced Bionics*, Paper IPR2019-01469, Paper 6, 10.

Because the Patent Office has already considered (and claims 9-18 were allowed over) the substance of the *Ofek* reference in Petitioner’s Ground 2, and because Petitioner (just like its expert) does not assert that the Office made any material errors, the Director should additionally exercise her discretion to deny institution of the Petition under 35 U.S.C. §325(d).

A. *Advanced Bionics* Framework, Part 1 is Met Because Substantially the Same Art was Expressly Considered By the Office

Part 1 of the *Advanced Bionics* framework is met because substantially the same art as *Ofek* was expressly considered and relied upon by the Examiner during original prosecution in allowing the claims of the ’182 Patent. *See, e.g., Intel Corp. v. Interdigital, Inc.*, IPR2024-01441, Paper 13, 11-14 (PTAB Apr. 1, 2025) (“*Intel*”).

Initially, Petitioner misleadingly asserts that *Ofek* was not “cited nor considered by the Examiner during prosecution of the ’182 Patent.” Petition (Paper 1), 96. While the specific *Ofek* reference (U.S. Patent No. 5,901,327; EX1007) was not considered, *two patents that share an identical specification and common parent to Ofek were considered and specifically relied upon by the Examiner*: U.S.

Patent No. 5,889,985 (“Ofek ’935”; EX2018)¹⁵ and U.S. Patent No. 6,173,377 (“Yanai/Ofek”; EX2021):

(56)	References Cited				
U.S. PATENT DOCUMENTS					
5,140,592	A *	8/1992	Idleman et al.	714/5	
5,544,347	A	8/1996	Yanai et al.		
5,742,792	A	4/1998	Yanai et al.		
5,889,935	A *	3/1999	Ofek et al.	714/6	
5,909,692	A	6/1999	Yanai et al.		
6,092,066	A	7/2000	Ofek		
6,101,497	A	8/2000	Ofek		
6,108,748	A	8/2000	Ofek et al.		
6,148,383	A *	11/2000	Micka et al.	711/162	
6,157,991	A *	12/2000	Arnon	711/161	
6,173,377	B1 *	1/2001	Yanai et al.	711/162	
6,442,706	B1 *	8/2002	Wahl et al.	714/6	
6,442,709	B1 *	8/2002	Beal et al.	714/33	
6,487,561	B1 *	11/2002	Ofek et al.	707/204	

EX1001, Cover Page (blue highlighting added); *see also*, e.g., EX1002, 37-46 (Examiner using Yanai/Ofek in rejections), 93-94 (Examiner using Ofek ’935 in rejection).¹⁶

¹⁵ As discussed in Section I.D, *supra*, Petitioner is also relying on Ofek ’935 in district court.

¹⁶ As the ’182 Patent’s cover page shows, other Ofek and Yanai/Ofek prior art were also part of the references disclosed during prosecution, including the parent ’792 Patent, some of which were also cited by the Examiner.

Notably, the commonality is apparent from the face of the patents, including that they all have the same parent, U.S. Patent No. 5,742,792 (“the ’792 Patent”). *See* EX1007, Cover Page (identifying that *Ofek* is a divisional of the ’792 Patent); EX2018, Cover Page (identifying that *Ofek* ’935 is a divisional of the ’792 Patent); EX2021 (identifying that Yanai/*Ofek* is a continuation of the ’792 Patent). And a comparison of the specifications and figures reveals that they are substantively identical. *Compare* EX1007 with EX2018 & EX2021; *see also, e.g., Google LLC v. Valtrus Innovations Ltd.*, IPR2022-01197, Paper 18, 13-18 (PTAB June 13, 2023) (finding *Advanced Bionics* Part 1 met where the “identical counterpart” was presented to the Office during original prosecution) (“*Google*”).¹⁷

B. *Advanced Bionics* Framework, Part 2 is Met Because the Examiner and Petitioner Rely Upon Common *Ofek* References in the Same Way, and There are No Facts or Evidence Presented in the Petition to Warrant Reconsideration

Part 2 of the *Advanced Bionics* framework is met because the Examiner and Petitioner rely upon *Ofek* in the same way and there are no facts or evidence in the Petition to support a conclusion that the Examiner erred in a material way. *See, e.g., Intel*, IPR2024-01441, Paper 13, 18-20.

¹⁷ The request for Director Review was also denied. *Google*, IPR2022-01197, Paper 22.

Throughout Ground 2 (challenging claims 9-18),¹⁸ Petitioner relies upon *Ofek* to attempt to fill in the gaps of *Lubbers* and *Sicola*. Petition (Paper 1), 66-96 (Ground 2). However, the Examiner already considered the substance of *Ofek* (using the common specifications of Yanai/Ofek and Ofek '935) and allowed the claims. EX1002, 37-46 (Examiner using Yanai/Ofek), 93-94 (Examiner using Ofek '935).

For example, Petitioner relies on *Ofek* to attempt to fill in various gaps, including, among others, *Ofek*'s alleged teachings to: (i) “bundle write data for transmission to the secondary data storage system,” Petition (Paper 1), 66; (ii) “‘adaptively’ determine a ‘*send batch size*’ based on ‘*available communication bandwidth*,’” *id.*, 78; (iii) “‘overwrite’ a ‘*first write transaction in a send batch*’ with ‘*a second write transaction*,’” *id.*, 80; (iv) “receive and decode ‘*receive batches*,’” *id.*, 83; (v) “store ‘*a receive batch after the receive batch is determined safe to apply*,’” *id.*, 84; (vi) “a one-byte password for confirming the validity of the entry to verify data integrity, and how the system achieves nearly 100% data integrity by ensuring no errant data is stored in the backup system,” *id.*, 86; and (vii) “‘*a first write transaction in a first receive batch*’ and ‘*a second write transaction in a second*

¹⁸ Claims 9-18 of the '182 Patent correspond to application claims 19-21, 23, 25-28, 47, and 58, respectively. EX1002, 29-33 (application claims), 7 (allowance showing claim renumbering).

receive batch’ when ‘the first and second receive batches are combined,’” id., 87 (emphasis in original).

But the Examiner already considered the substance of *Ofek* (including Yanai/Ofek and Ofek ’935) and allowed the claims over these references.

For example, the Examiner issued an office action that rejected certain application claims over Yanai/Ofek, but found that other claims were allowable:

2. Claims 29, 33, 34, 36, 38, 41, 43, 44, 48, 49-55, 57, 59, 60 are rejected under 35 U.S.C. 102(b) as being anticipated by Yanai et al. U.S. Patent 6,173,377.

EX1002, 39.

4. Claim 30 is rejected under 35 U.S.C. 103(a) as being unpatentable over Yanai in view of Leach et al. U.S. Patent 6,694,447.

EX1002, 44.

5. Claims 40, 45, 61 are rejected under 35 U.S.C. 103(a) as being unpatentable over Yanai in view of Wahl et al. U.S. Patent 6,442,706.

EX1002, 45.

Allowable Subject Matter

6. Claims 47, 56, 58 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

7. Claims 1, 3, 7, 10, 14, 16-21, 23-28 are allowed.

EX1002, 46; *see also* EX1002, 37-46 (Examiner using Yanai/Ofek), 93-94 (Examiner using Ofek '935).

In response, the applicant canceled the rejected claims, and added the allowable matter to the objected-to claims. EX1002, 28-35 (Amendment dated Oct. 3, 2006). The Examiner then allowed the claims (including over Yanai/Ofek and Ofek '935):

Notice of Allowability	Application No.	Applicant(s)	
	10/456,053	JI ET AL.	
	Examiner	Art Unit	
	Christopher S. McCarthy	2113	
-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address-- All claims being allowable, PROSECUTION ON THE MERITS IS (OR REMAINS) CLOSED in this application. If not included herewith (or previously mailed), a Notice of Allowance (PTOL-85) or other appropriate communication will be mailed in due course. THIS NOTICE OF ALLOWABILITY IS NOT A GRANT OF PATENT RIGHTS. This application is subject to withdrawal from issue at the initiative of the Office or upon petition by the applicant. See 37 CFR 1.313 and MPEP 1308. 1. ☒ This communication is responsive to <u>10/3/06</u>. 2. ☒ The allowed claim(s) is/are <u>1,3,7,10,14,16-21,23,25-28,47,58</u> <i>renumbered as 1-18</i>.			

EX1002, 7.

In other words, there can be no dispute that substantively the same art was already thoroughly considered by the Office during original prosecution, but found to be lacking. Indeed, the Examiner relied upon both Yanai/Ofek and Ofek '935 in rejecting the application claims, and found the claims that issued in the '182 Patent allowable over them.

It is of no moment that Ground 2 is a three-reference combination. Petitioner attempts to add *Ofek* to the other references to fill in certain gaps, but *Ofek*'s

disclosure was already found to be missing those exact gaps during prosecution. In other words, Petitioner is trying to use *Ofek* in the same way the Examiner did.

Lastly, Petitioner concludes—without explanation—that “the Examiner did not have the benefit of Dr. Almeroth’s detailed expert testimony and the other evidence of record.” Petitioner (Paper 1), 96. Petitioner does not explain what “the other evidence of record” is or how that would have impacted prosecution. *See Advanced Bionics*, IPR2019-01469, Paper 6, 21 (“Petitioner must demonstrate that the Examiner erred in the evaluation of the prior art, for example, by showing that the Examiner misapprehended or overlooked specific teachings in the relevant prior art such that the error by the Office was material to the patentability of the challenged claims.”); *see also Becton, Dickinson*, IPR2017-01586, Paper 8, 17-18; *Intel*, IPR2024-01441, Paper 13, 18-20; *Google*, IPR2022-01197, Paper 18, 23.

There is no such evidence, nor is there any material error. As explained above, Petitioner is simply using *Ofek* to try to fill in missing limitations from the other references, which limitations the Examiner already found missing in Yanai/*Ofek* and *Ofek* ’935. The fact that Petitioner has relied upon other references for certain other limitations is of no moment. What matters is that Petitioner seeks to fill the gaps found missing with the reference that the Examiner already found did *not* disclose those limitations.

As to Dr. Almeroth’s testimony, Petitioner likewise does not explain how it impacts or relates to the Examiner’s determinations during prosecution. And, in any event, it does not. While Dr. Almeroth declared that he reviewed the file history, *see* EX1003 ¶4, he never discusses or mentions anything that happened during it. *See generally* EX1003. Thus, he offers no opinion (and cannot belatedly offer an opinion) as to anything that happened during prosecution (including the Examiner’s detailed consideration of Yanai/Ofek and Ofek ’935).¹⁹ Moreover, Dr. Almeroth’s “testimony” does not add any actual evidence to the Section 325(d) issue: his “testimony” is nearly a word-for-word copy and paste of the Petition (complete with coloring, emphasis, and alterations), without additional analysis or explanation. *Compare* Petition (Paper 1), Section VII.B *with* EX1003, Section X.

Accordingly, as the applicant already overcame the rejection for the same art and argument that Petitioner uses *Ofek* for (as to Petitioner’s Ground 2 theory challenging claims 9-18), Patent Owner respectfully submits that institution is not worth expending the Board’s finite resources and the Director should exercise her discretion to deny the Petition under Section 325(d) as well. *See, e.g., Google*, IPR2022-01197, Paper 18, 28-29 (denying rehearing request as to certain grounds

¹⁹ Similarly, apart from asserting *Ofek* was not considered during prosecution, Petitioner never mentions or discusses the file history in its 13,976-word Petition.

and denying institution under Section 325(d) as to certain grounds on remand); *see also* Interim Processes FAQ No. 9.

III. CONCLUSION

For the reasons explained above, Patent Owner respectfully submits that the Director should exercise her discretion to deny institution of the Petition.

Dated: May 9, 2025

Respectfully submitted,

/Patrick Colsher/

Patrick Colsher (Reg. No. 74,955)

Counsel for Patent Owner

CERTIFICATE OF COMPLIANCE

I hereby certify that this paper complies with the type-volume limitation of 37 C.F.R. §42.24 and the Interim Processes Memo (as determined by the Microsoft Word word-processing system used to prepare this paper) because it contains 8979 words, excluding the parts of the paper exempted by 37 C.F.R. §42.24(a).

Dated: May 9, 2025

Respectfully submitted,

/Patrick Colsher/

Patrick Colsher (Reg. No. 74,955)
Counsel for Patent Owner

CERTIFICATE OF SERVICE

I hereby certify that the foregoing PATENT OWNER'S BRIEF THAT INSTITUTION OF THE PETITION SHOULD BE DENIED ON DISCRETIONARY GROUNDS and Exhibits listed on the List of Exhibits were served on May 9, 2025, via electronic mail upon counsel of record for Petitioner at the following email addresses:

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