

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HOME DEPOT U.S.A., INC.,
Petitioner,

v.

H2 INTELLECT LLC,
Patent Owner

Case No. IPR2025-00480
Patent No. 8,433,296

**PETITIONER'S OPPOSITION TO PATENT OWNER'S REQUEST
FOR DISCRETIONARY DENIAL**

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1003	File History of U.S. Patent No. 8,433,296.
1004	U.S. Patent App. Pub. No. 2006/0149630 (“ Elliott ”).
1005	U.S. Patent App. Pub. No. 2002/0161633 (“ Jacob ”).
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1008	<i>H2 Intellect LLC v. The Home Depot, Inc., et al.</i> , Infringement Contentions, November 1, 2024.
1009	Macromedia Dreamweaver UltraDev Support Center - Defining Dynamic Content, https://web.archive.org/web/20060715033222/https://www.adobe.com/support/ultradev/content/url_parameters/url_parameters04.html (Jul. 15, 2006).
1010	U.S. Patent App. Pub. No. 2003/0142631 (“ Silvester ”).
1011	U.S. Patent App. Pub. No. 2007/0088852 (“ Levkovitz ”).
1012	U.S. Patent App. Pub. No. 2008/0032703 (“ Krumm ”).
1013	Apple launches official iPhone, iPod touch Web apps directory. https://appleinsider.com/articles/07/10/11/apple_launches_official_iphone_ipod_touch_web_apps_directory (Oct. 11, 2007).
1014	Five Killer Apps for Palm Centro (and Treo) Smartphones, https://www.cbsnews.com/news/five-killer-apps-for-palm-centro-and-treo-smartphones/ (Oct. 1, 2007).
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1017	Geofencing, Techopedia, https://www.techopedia.com/definition/14937/geofencing (last visited February 10, 2025).
1018	Jonathan P. Munson & Vineet K. Gupta, Location-Based Notification as a General-Purpose Service, Proceedings of the 2nd International Workshop on Mobile Commerce 40 (2002).

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1019	What We Do, Locating What's Important To You, Cell-Loc, http://web.archive.org/web/20030411221815/http://cellloc.com/what_locating.html (last visited February 10, 2025).
1020	Alan Cohen, "Location, Location, Location," PC Mag., available at https://books.google.com/books?id=eIvagv988JgC&pg=PA82#v=onepage&q&f=false (last visited February 10, 2025).
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I. INTRODUCTION

Patent Owner’s assertion of meritless patents in the related and serial district court litigations is the epitome of the reason that Congress created the IPR process—a cost-effective pathway to resolve the validity of low-quality patents. The patent at issue in this IPR is the result of a clear material error by the Examiner in failing to recognize that the limitations added by the Examiner himself to overcome a prior art reference were disclosed in that very same reference. The IPR process here should be allowed to proceed and work as it was designed to correct this examiner error.

In the Petition, Petitioner provided a *Sotera* stipulation. Paper 1 at 67. Then, on June 11, 2025, Petitioner went further and stipulated that it will also “not assert in the related district court proceeding any § 103 defense based on a combination of any system prior art with any prior art raised in the Petition.” EX1029. Thus, there will be no overlap between the issues raised in the Petition and at the district court, and this IPR will serve as a “true alternative” to the district court proceeding.

II. DISCRETIONARY DENIAL IS NOT WARRANTED

A. Material Error By the Examiner Outweighs the *Fintiv* Factors

Discretionary denial is inappropriate “because the Office materially erred during prosecution of the challenged patent.” *Xencor, Inc. v. Merus N.V.*, IPR2025-00604, Paper 12 at 2-3 (Director July 17, 2025). The Examiner allowed the claims over its previous rejection in light of US 2010/0312646 (“Gupta”) on the basis of

several Examiner's amendments to the independent claims. *See* EX1003, 16-25, 51-55. Specifically, the Examiner added "receiving, from a sponsor, a request to obtain an interest in a selected one of the plurality of geographic areas; providing the sponsor a response to the request; storing a record of the interest in the selected one of the plurality of geographic areas; receiving, from the sponsor, content to be delivered to registered application programs having target locations contained within the selected one of the plurality of geographic areas." EX1003, 16-17. The Examiner concluded that "none of the references, either alone or in combination," rendered the amended claims obvious. EX1003, 24. Yet, Gupta teaches:

- "receiving, from a sponsor, a request to obtain an interest in a selected one of the plurality of geographic areas." Gupta describes that advertisers ("revenue generators" EX1030, ¶22) "may be able to target ... one or more geographic areas" and "identify a geographic region to target a listing." EX1030, ¶¶35, 38; *see also* EX1030 ¶20 ("an advertiser may target an advertisement to the geographic area containing a competitor's store."), ¶39 ("the revenue generators **110A-N**, may be able to select automatic geographic targeting" which "may automatically serve any advertisements of the revenue generators **110A-N** relevant to the current geographic area of the user AA **120AA**."). Gupta further discloses that an advertiser can place a bid for a targeted geographic area. EX1030, ¶38

(discussing bids for geographic areas). A bid is a request for an advertisement in a geographic area. In Gupta, therefore, the advertisers request by placing “bids” with the service provider to advertise in a specific geographic area, and the service provider receives those bids/requests. As described in the Petition, a “request to obtain an interest” is simply an advertiser’s request to advertise in a specific geographic area. *See* Paper 1, §§III(D)(3) (the interest may be exclusive or non-exclusive), IV(D)(5). Thus, Gupta teaches this limitation.

- “providing the sponsor a response to the request.” Gupta describes that “the service provider **130** may generate reports based on the data collected from the users **120AA-NN** and communicate the reports to the revenue generators **110A-N** to assist the revenue generators **110A-N** in measuring the effectiveness of their mobile advertising campaigns in a geographic area.” EX1030 ¶46. The message communicating the report must come after and in response to the request to advertise in a geographic area (the “request to obtain an interest”) because without the request, there would be no advertising campaign for the report to measure. EX1030 ¶46. Therefore, the message on campaign effectiveness is a response to the request. *See* Paper 1, §§III(D)(6), IV(D)(6); EX1002, ¶124. Moreover, it would have been obvious to a POSITA to configure

Gupta's service provider to respond to bids received from the advertisers.

See EX1030, ¶38.

- “storing a record of the interest.” Gupta describes that “service provider server **240** may store the association between the mobile carrier, the geographic area and the advertisement in the data store **245**,” EX1030 ¶81, including the selection of the advertisers regarding their desired locations.
- “receiving, from the sponsor, content to be delivered to registered application.” Gupta teaches that “[t]he revenue generators **110A-N** may pay the service provider **130** to serve, or display, advertisements of their goods or services, such as on-line or mobile advertisements, to the users **120AA-NN** The users **120AA-NN** may utilize the services of the service provider **130** through web applications, mobile applications or standalone applications.” EX1030 ¶23.

Thus, the Examiner materially erred when he failed to locate the above-discussed disclosures of the amended limitations in Gupta or to understand their significance.

This alone is a sufficient reason to reject the request for discretionary denial. In

Xencor, for example, the Director rejected a request for discretionary denial

because the patent examiner allowed the claims on the basis that “the prior art does not teach or suggest replacing a neutral amino acid . . . with a positively charged

amino acid in the CH3 domain[,]” but the Petitioner presented evidence that a reference cited in an IDS during prosecution taught that limitation. IPR2025-00604, Paper 12 at 3. Here, too, the Examiner ignored the explicit teachings of Gupta when he concluded that “none of the references” rendered the amended claims obvious.

Further, as demonstrated in the Petition, the Examiner also materially erred by overlooking the teachings of Elliot and Jacob, which compellingly demonstrate the obviousness of the amended limitations. See Paper 1, 28-33. This is another sufficient reason to reject the request for discretionary denial. In *Microsoft Corp. v. Partec Cluster Competence Center GMBH*, for example, the Director rejected a request for discretionary denial because the examiner “erred in a manner material to the patentability of the challenged claims by overlooking the teachings of Budenske and Kambalta, and the combined teachings of Budenske and Lippert, or Budenske and Kambalta with Lippert.” IPR2025-00318, Paper 9 at 3 (Director June 12, 2025); see also *Skullcandy, Inc. v. Earin AB*, IPR2025-00690, Paper 9 at 2 (Director July 31, 2025) (rejecting discretionary denial based upon the examiner’s material error). Here, too, the Examiner materially erred by overlooking the teachings of Jacob and Elliot, either by failing to find those references or by failing to understand their significance.

The Director has explained that evidence of material error by the Office can outweigh other discretionary denial factors. *Microsoft Corp.*, IPR2025-00318, Paper 9 at 3 (“Ordinarily, a scheduled district court trial date that precedes the date projected for a Board final written decision weighs in favor of exercising discretion to deny the Petition. Here, however, the Petitioner appears to show a material error by the Office and it is an appropriate use of Office resources to review the potential error.”) This error favors denying Patent Owner’s Motion for Discretionary Denial.

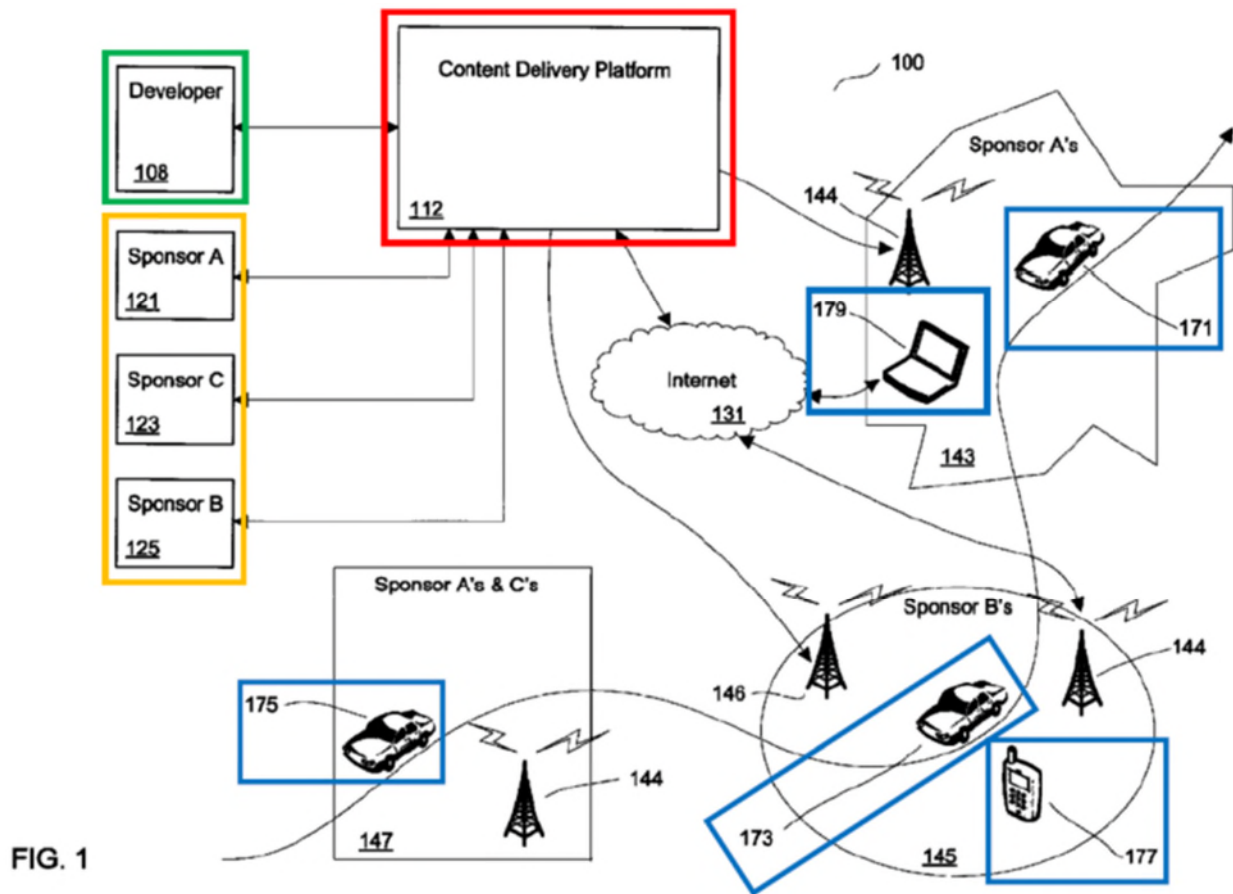
In addition, the PTAB has set out in precedential decisions that the “patent system and the public benefit from instituting challenges where there is a showing of unpatentability by compelling merits . . . when other considerations favor discretionary denial.” *CommScope Techs. LLC, v. Dali Wireless, Inc.*, IPR2022-01242, Paper 23 at 3-4 (PTAB Feb. 27, 2023) (Precedential).

The legal and factual showings here satisfy the material error and the compelling merits standards. Under the rationale of the *Xencor*, *Microsoft* and *CommScope* decisions, these considerations outweigh other concerns, and accordingly, the denial of the current Motion is appropriate.

B. The PTAB Is Best Suited To Handle This Patent’s Difficult Claims

The claims of the 296 patent are confusing and convoluted. *See, e.g.*, EX1001, claim 1. The 296 patent describes and claims a content delivery system that delivers content to applications executing on mobile devices based on

locations associated with the mobile devices. EX1001, 1:36-2:17, 2:44-54. Figure 1 illustrates the basic architecture of the system, including a content delivery platform 112 (red), developer platform 108 (green), one or more sponsors (e.g., sponsors 121, 123, 125) (yellow), and devices (blue):



EX1001, FIG. 1 (annotated), 3:30-50. The operator of the content delivery platform establishes geographic areas, which a sponsor can reserve via the content delivery platform for delivery of content associated with that sponsor to a particular application on the mobile device. EX1001, Abstract, 3:11-22. When the mobile device enters a sponsor's reserved geographic area, the content delivery

platform delivers the sponsor's content to the application on the mobile device.

EX1001, Abstract, 3:211-22. EX1002, ¶75. This disclosure is reflected in the expansive and confusing language in the claims, for example claim 1:

[1.pre] A method comprising:
[1.a] registering a plurality of application programs for use with a content delivery platform, wherein the plurality of registered application programs are each associated with at least one application program type;
[1.b] establishing a plurality of perimeters defining a plurality of geographic areas;
[1.c] reserving delivery of content from a plurality of sponsors to the plurality of registered application programs on the basis of both a geographic area and an application program type associated with each of the plurality of registered application programs;
<i>[1.d] receiving, from a sponsor, a request to obtain an interest in a selected one of the plurality of geographic areas;</i>
<i>[1.e] providing the sponsor a response to the request;</i>
<i>[1.f] storing a record of the interest in the selected one of the plurality of geographic areas;</i>
<i>[1.g] receiving, from the sponsor, content to be delivered to registered application programs having target locations contained within the selected one of the plurality of geographic areas;</i>
[1.h] receiving, from a registered application program, a request for content to be used within the registered application program;
[1.i] in response to receiving the request: selecting content from at least one sponsor to be delivered to the registered application program, subject to the reserving; and
[1.j] [in response to receiving the request:...] providing the content from the at least one sponsor to the registered application program.

EX1001, claim 1 (annotation added to denote limitations added by Examiner Amendment); EX1003, 16-17 (Examiner Amendment).

Included in this tortuous claim is another example of Examiner error. By adding limitation 1.d, the Examiner *introduced* an indefiniteness problem in

limitation 1.i, making it impossible to determine its antecedent basis. Specifically, “the request” in limitation 1.i (and consequently in limitation 1.j) might refer back to “a request” in limitation 1.d or “a request” in limitation 1.h. Paper 1, §III(D)(7).¹ Moreover, the Examiner added the new term “interest” to the claims, where the remaining limitations describe “reserving” a geographic location; there is thus no clear relationship between this “interest” and the prior “reserving” limitation. Still further, the Examiner introduced a confusing order for the claimed steps: after his amendment, the “reserving” step appears in the claim before the “request to obtain an interest,” when, logically, the “request to obtain an interest” in a geographic limitation (limitation 1.d) should come before “reserving delivery of content” based on that request (limitation 1.c). Though steps of a method claim are not necessarily required to have a specific order, the way the Examiner added limitations causes the claims to be difficult for a jury to understand. Finally, limitation 1.c requires reservations from “a plurality of sponsors,” yet limitations 1.d-1.g (added by the examiner) require the reservation steps from “a sponsor.” This lack of consistency and clarity in the claims was caused by the Examiner amendment, compounding the Examiner error identified in II(A) *supra*. Put

¹ The Petition expressly addresses both possible constructions. Paper 1, §IV(E)(2).

simply, the PTAB is best suited to handle review of these convoluted claims, and the Examiner's errors make that especially so.

C. The *Fintiv* Factors.

The material error discussed above outweighs the *Fintiv* factors. See *Microsoft Corp.*, IPR2025-00318, Paper 9. Although, due to space constraints, the Petition does not rely on the Gupta prior art disclosures overlooked by the Examiner when the claim amendment was entered, the Director has indicated that material errors counseling a rejection of discretionary denial are not so confined. See, e.g., *id.* (finding examiner error and instituting based-in-part on prior art that was previously considered combination based in part on prior art in the prosecution history); *Skullcandy*, IPR2025-00690, Paper 9 (finding examiner error and instituting based on combination that was not previously before the Examiner). Moreover, the stipulation provided here ensures that the grounds addressed during *inter partes* review will differ from any grounds of invalidity of the '296 patent presented during trial. See Paper 1, 67 (Sotera stipulation); EX1029 (stipulation that Petitioner will not assert system art with the prior art raised in the Petition). Patent Owner complains that the stipulation was entered in the IPR and not in the district court, but such a complaint is meritless. The stipulation is public record in this proceeding, and there is no basis for Patent Owner to assume that Petitioner would not abide by its word or that Patent Owner would be unable to use the

statement as an admission by Party Opponent or otherwise enforce the stipulation in the district court. Finally, compelling economic interests of the United States favors denying discretionary review. Patent Owner is asserting infringement of this patent against a large United States employer with approximately 2,018 stores in the United States. It is in the economic interests of the United States to allow its businesses and employers to utilize the PTAB processes to efficiently and cost-effectively adjudicate the merits of the invalidity challenge.

D. § 325(d) Does Not Support Discretionary Denial.

Patent Owner does not raise any § 325(d) arguments. Patent Owner does not argue that the prior art relied upon in the Petition is cumulative with the art reviewed by the Examiner. Moreover, as shown in Section II.A, the Examiner materially erred by failing to recognize in the prior art already before the Examiner, and to find in other prior art, the limitations added by Examiner amendment. Thus, § 325(d) does not support discretionary denial.

E. Settled Expectations Do Not Support Discretionary Denial.

Patent Owner can have no settled expectations that the '296 patent is valid or would not be subject to *inter partes* review. Nine IPRs have been previously filed on related patents, and all nine IPRs were instituted. IPR2022-01327, Paper 13 (PTAB Feb. 7, 2023); IPR2022-01328, Paper 13 (PTAB Feb. 8, 2023); IPR2022-01329, Paper 13 (Feb. 8, 2023); IPR2022-01330, Paper 13 (PTAB Feb. 8, 2023);

IPR2022-01331, Paper 14 (PTAB Feb. 7, 2023); IPR2022-01332, Paper 13 (PTAB Feb. 8, 2023); IPR2022-01333, Paper 13 (PTAB Feb. 7, 2023); IPR2022-01334, Paper 13 (PTAB Feb. 8, 2023); IPR2022-01335, Paper 13 (PTAB Feb. 8, 2023).

The Patent Owner acquired the '296 patent with knowledge that related patents had been subject to successfully instituted *inter partes* review before settlement occurred in those cases. There is no basis for Patent Owner to believe that this related patent would not be subject to review and found unpatentable in a similar proceeding. In fact, to the extent that Patent Owner had any settled expectation, that strong settled expectation was that the '296 patent **would** be subject to *inter partes* review. Patent Owner's assertion of settled expectations is contrary to this extensive IPR history and defies common sense.

The only prior suit involving the '296 patent settled very quickly, just five months after the suit was filed and before anything substantive appears to have occurred based on the case docket. *See Hardin v. Samsung Electronics Co.*, 2:22-cv-344, Dkt. 1 (E.D. Tex. Sept. 2, 2022) (Complaint); *id.*, Dkt. 25 (E.D. Tex. Feb. 2, 2023) (motion to stay pending settlement). Patent Owner points out that other patents were involved in litigations that resulted in settlements, but those patents are not the subject of this IPR. Therefore, past assertions by Patent Owner do not support a finding of settled expectations.

Likewise, the challenged patent has never been “commercialized, asserted, marked, licensed, or otherwise applied” in Home Depot’s “particular technology space.” See *Shenzen Tuozhu Tech. Co. v. Stratatsys, Inc.*, IPR2025-00438, Paper 10 at 3 (Director July 17, 2025); cf. *iRhythm Techs., Inc. v. Welch Allyn, Inc.*, IPR2025-00363, Paper 10 (Director June 6, 2025) (granting discretionary denial specifically because of “Petitioner’s *awareness* of Patent Owner’s applications and failure to seek early review” (emphasis added)). There is no evidence that H2 has commercialized the ’296 patent. As for asserting or licensing it, the only prior suit involving the ’296 patent involved Samsung Electronics Co. and targeted its Galaxy smartphone series, tablets, and watches. *Hardin v. Samsung*, Dkt. 1, ¶28. Home Depot, the proprietor of a chain of hardware stores, had no reason to expect a lawsuit on the ’296 patent from inventors who had previously only targeted Samsung’s smartphones, tablets, and watches—Home Depot does not sell those products. Thus, the challenged patent has never been “asserted” or “licensed” in Home Depot’s “particular technology space,” nor would Home Depot have had early awareness of the patent, so the Motion should be denied. *Shenzen*, IPR2025-00438, Paper 10 at 3.

Further, Patent Owner is a corporation that was created in May 2022² and acquired the '296 patent in May 2024.³ Here, Patent Owner is arguing it has “settled expectations” because the patent issued in 2013, but Patent Owner could not have any expectations where it did not exist or own the patent. Patent Owner disingenuously argues that corporate formalities do not exist for the sole purpose of trying to avoid PTAB review of its recently acquired assets. Paper 6, 20-21. However, corporate formalities do exist, and a Patent Owner that has chosen to take advantage of them cannot avoid them when they are inconvenient. See *Holland v. United States*, 59 Fed. Cl. 735, 741 (Fed. Cl. 2004) (“A corporation cannot be used indiscriminately as both a sword and as a shield.”). Here, there is no evidence that Patent Owner has any settled expectations.

Moreover, to the extent Patent Owner had settled expectations, they were disturbed by a change in law, the passage of the America Invents Act (“AIA”). See

² According to a business records search with the Texas Secretary of State. See *H2 Intellect LLC*, Tex. Comptroller, <https://comptroller.texas.gov/taxes/franchise/account-status/search/32084546038> (last visited Aug. 6, 2025).

³ See *Assignment Abstract of Title for Application 12434094*, U.S. Pat. Off., <https://assignment.uspto.gov/patent/index.html#/patent/search/resultAbstract?id=8433296&type=patNum> (last visited August 6, 2025).

Intel Corp. v. Proxense LLC, IPR2025-00327, Paper 12 at 2-3 (Director June 26, 2025) (“There may be persuasive reasons why the Board should review challenged claims several years after their issuance date. For example, a significant change in law may have occurred since the patent issued, and a petitioner can explain how that change in law directly bears on the patentability of the challenged claims.”). Since the AIA was passed in 2012, patent owners have known that all patents are subject to *inter partes* review. Any belief to the contrary was resolved long ago. *See Celgene Corp. v. Peter*, 931 F.3d 1342, 1356-63 & n.13 (Fed. Cir. 2019) (retroactive application of the IPR regime does not violate the Takings Clause); *Genentech, Inc. v. Hospira, Inc.*, 946 F.3d 1333, 1343 (Fed. Cir. 2020) (“[R]etroactive application of reexamination does not violate the Fifth Amendment, the Seventh Amendment, or Article III.”). It is also well-settled that the *Ex Post Facto* Clause does not apply to civil laws. *Calder v. Bull*, 3 U.S. 386 (1798). As the Director has stated, settled expectations are impacted by changes in law. *See Intel*, IPR2025-00327, Paper 12 at 2-3; *Interim Processes for PTAB Workload Management* at 2 (Director Mar. 26, 2025). Here, especially as the Patent Owner only recently acquired the patent from the inventors, changes in the law supports denial of the request for discretionary denial.

F. The Interim Processes for PTAB Workload Management Violate the Administrative Procedures Act.

Though the AIA vests certain discretionary powers in the Director (35 U.S.C. §§ 314(a), 324(a)), Petitioners maintain that the Director’s memorandum, *Interim Processes for PTAB Workload Management* (the “Interim Processes”) (Director Mar. 26, 2025), violates the Administrative Procedures Act (“APA”), 5 U.S.C. §§ 551, *et seq.*, in four ways.

First, the Interim Processes exceed the Director’s authority and violate the AIA. Nothing in the AIA authorizes the Director to deny IPR petitions based on the factors referenced in the Interim Processes.

Second, the Interim Processes are arbitrary and capricious. The PTAB’s application of the *Fintiv* factors has led to unpredictable disparities among similarly situated IPR petitioners, resulting from the uncertainty and malleability of the factors. The Interim Processes only worsen these problems by, for example, introducing several additional unpredictable and malleable factors.

Third, the Interim Processes are procedurally invalid because the Director issued them without complying with the notice-and-comment rulemaking requirements. *See* 5 U.S.C. § 553(b), (c); 35 U.S.C. §§ 2(b)(2), 316(a).

Fourth, discretionary denial for any basis other than as authorized in 35 U.S.C. § 314(a) is unauthorized. The law does not provide the Director absolute

discretion regarding whether to institute IPR, but instead limits that discretion to the bases authorized in 35 U.S.C. § 314. *See also* 35 U.S.C. § 316(a)(2).

Petitioner therefore requests that the Director deny Patent Owner's request for discretionary denial for these additional reasons.

III. CONCLUSION

Petitioner requests that the Director deny Patent Owner's request for discretionary denial.

Date: August 19, 2025

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

Petitioner certifies that this brief includes 3,571 words, as measured by Microsoft Word, exclusive of the table of contents, the table of authorities, the certificate of service, the certificate of word count, and the index of exhibits.

This Response to Patent Owner's Request for Discretionary Denial Brief complies with the general format requirements of 37 C.F.R. § 42.24(a) and has been prepared using Microsoft Word in 14-point Times New Roman font

Date: August 19, 2025

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U.S.A., Inc.***

CERTIFICATE OF SERVICE

The undersigned certifies pursuant to 37 C.F.R. §§ 42.6(e) that on August 19, 2025 a true and correct copy of this brief and any new exhibits was served by emailing a copy of same to the following:

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