

IPR2025-00480  
Patent 8,433,296

Patent Owner's Reply Discretionary Denial Brief

**UNITED STATES PATENT AND TRADEMARK OFFICE**

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**BEFORE THE PATENT TRIAL AND APPEAL BOARD**

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

v.

**H2 INTELLECT LLC,**  
Patent Owner.

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IPR2025-00480  
U.S. Patent No. 8,433,296

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**PATENT OWNER'S REPLY DISCRETIONARY DENIAL BRIEF**

**TABLE OF ABBREVIATIONS**

|                                                                 |                  |
|-----------------------------------------------------------------|------------------|
| H2 Intellect LLC                                                | H2 or PO         |
| Home Depot U.S.A., Inc.                                         | Petitioner or HD |
| Patent Owner's Discretionary Denial Brief (Paper 6)             | PO Br.           |
| Petitioner's Opposition to Discretionary Denial Brief (Paper 7) | Pet. Br.         |
| United States Patent No. 8,433,296                              | 296 Patent       |
| All Emphasis Added                                              |                  |

Pursuant to the Director's authorization (EX-3102), H2 responds to HD's Opposition to Patent Owner's Discretionary Denial Brief.

### **PETITIONER'S MATERIAL ERROR ARGUMENT FAILS**

HD's material error argument is wholly off-base. HD relies on *Xencor, Inc. v. Merus N.V.*, IPR2025-00604, Paper 12 (PTAB July 17, 2025). But as the Director explained there, alleged Examiner material error is considered under 35 U.S.C. § 325(d) and the *Advanced Bionics* framework. *Xencor*, Paper 12, 3.

HD's argument has no basis under either. It argues that the Examiner committed material error in considering Gupta (EX-1030). But as HD concedes, none of the Grounds rely on Gupta. Pet. Br., 10 (arguing that "space constraints" prevented relying on Gupta). Instead, HD relies on Elliott (EX-1004), Jacob (EX-1005), and Musk (EX-1007) – **none** of which were of record. HD thus has no argument that the Examiner materially erred as to the prior art in the Grounds. *Cf.* *Xencor*, Paper 12, 3 (finding that the Examiner overlooked a reference, Lazar, cited in an IDS during prosecution **and** relied on in the Petition's grounds).

*Microsoft Corp. v. Partec Cluster Competence Center GmbH*, IPR 2025-00318, Paper 9 (PTAB June 12, 2025) and *Skullcandy, Inc. v. Earin AB*, IPR2025-00690, Paper 9 (PTAB July 31, 2025) are also no help. In the former, the Director found evidence that the Examiner materially erred with respect to a reference (Lippert) considered during prosecution **and** used in the Petition's Grounds. In the

latter, the Examiner erred by relying on structural limitations not in the **challenged** claims. There are no such facts here.

Also, HD falsifies the file history to argue such. The claims were allowed after *both* the December 2012 Examiner Amendment—authorized by the inventors (*see* EX-1003, 16)—**and** Applicants' September 2012 Amendment. EX-1003, 33-44. The as-amended September 2012 claims were never rejected, merely subject to further applicant-authorized amendments. HD suppresses this fact by omission.

#### **PETITIONER'S "DIFFICULT CLAIMS" ARGUMENT FAILS**

HD's allegation that the Board is best suited to handle this patent because the 296 Patent claims are allegedly "confusing and convoluted" and too "difficult for a jury to understand" is spurious. "Confusing and convoluted" is not a statutory ground under § 311 for determining whether the Petitioner may prevail under § 314(a). Indeed, HD itself agrees— "discretionary denial *for any basis other than as authorized in 35 U.S.C. § 314(a)* is unauthorized." Pet. Br., 16.

Moreover, as to HD's alleged indefiniteness allegation concerning "the request" term, while the Board is not statutorily authorized to address an indefiniteness challenge, a district court may do so. In fact, HD has raised a related indefiniteness issue in the parallel litigation during claim construction. *See* EX-2028, 8-13. If any venue is better suited to address alleged "confusing" claims, it is the district court—the only venue authorized to decide such issues.

**PETITIONER'S *FINTIV* ARGUMENTS FAIL**

Trial in the parallel case starts April 20, 2026; the case is not stayed; and there is no evidence that a stay is likely. *See* PO Br., 6-18. HD disputes none of this. Trial will thus occur seven months before any FWD, strongly favoring denial. *Samsung Elec. Co., Ltd. v. Headwater Research LLC*, IPR2025-00481, Paper 9 (PTAB Aug. 4, 2025) (“*Headwater*”) (denying institution when trial would occur before a FWD). Denial is especially appropriate here when considering both the earlier trial date and H2's strong settled expectations. *BOE Tech. Grp., Ltd. v. Optronix Sci. LLC*, IPR2025-00238, Paper 11 (PTAB July 29, 2025) (“*BOE*”).

HD argues that its *Sotera* and “system art” stipulations should prevail. But that argument was rejected in *Headwater*, where Petitioner relied on a “stipulation ... far more sweeping than a traditional *Sotera* stipulation.” *Headwater*, Paper 8, 22. APJ Deshpande disagreed because, like here, the trial was scheduled to occur many months before the projected FWD. *Id.*, Paper 9, 2.

HD's half-hearted “economic interest” argument should also be rejected. Many petitioners are “large [U.S.] employer[s],” but without more, that cannot outweigh the evidence supporting discretionary denial. *See Cellco P'ship v. Pegasus Wireless Innov. LLC*, IPR2025-00137, Paper 17 (PTAB June 26, 2025) (discretionarily denying petition filed jointly by Verizon, T-Mobile, AT&T, Nokia, Ericsson, and Google); *Headwater*, Papers 8, 9 (rejecting Samsung argument).

### **PETITIONER'S SETTLED EXPECTATIONS ARGUMENTS FAIL**

HD's argument that there are no settled expectations if IPRs have been instituted on related patents has been repeatedly rejected. In *Samsung Elec. Co. Ltd. et al. v. Mobile Data Tech., LLC*, APJ Deshpande denied institution based on PO's strong settled expectations, despite the challenged patent being subject to previous IPR2024-00248. *See* IPR2025-00535, Paper 16 (PTAB July 10, 2025). *See also* *Apotex Inc. v. Alkermes Pharma Ireland Ltd.*, IPR2025-00514, Paper 10 (PTAB July 2, 2025) (denying institution based on strong settled expectations despite a previous IPR institution on the same patent (IPR2018-00943)).

Moreover, HD's previous IPRs argument is misleading. Nine IPRs were filed on three continuations of the 296 Patent, with three IPRs per patent, all alleging a single ground regarding written description support. *See* IPR2022-01327, Paper 13. The IPRs cited as prior art the published 296 application, and the allegation there does not apply to the 296 Patent—the first patent in the family—as the 296 Patent lacks any written description limitation alleged in those IPRs. Thus, those IPRs do not impact H2's settled expectations of the 296 Patent.

Next, while not disputing that the 296 Patent was asserted in 2022 against Samsung relating to its mobile device geofencing technology, PO Br., 32-33, HD argues that such products fall outside of its "particular technology space." But HD

publicly touts its geofencing functionalities, mobile device apps, and its own employee mobile devices. *See* EX-2002, 15-19. HD's argument holds no water.

Even assuming *arguendo* HD had no reason to expect a suit by H2, “both [PO's] settled expectations and the significantly earlier district court trial date” prevail. *Transcend Info. Inc. v. Truesight Comm'n LLC*, IPR2025-00723, Paper 10 (PTAB Aug. 4, 2025) (rejecting identical argument); *BOE*, Paper 11, 2–3 (rejecting Petitioner's “no reason to expect suit” argument because it “does not overcome both [PO's] settled expectations and the significantly earlier ... trial date”).

HD's argument that H2 lacks settled expectations because it “did not exist or own the patent” before 2024 is meritless. Patent rights run with the patent, and this argument has been repeatedly rejected. *Minco Inc. v. Combustion Eng'g, Inc.*, 95 F.3d 1109, 1116 (Fed. Cir. 1996) (“[O]nly patentees may bring an action for infringement.... Patentees include not only the one to whom the patent issued but also any successors in title.”); *Google LLC v. Soundclear Tech. LLC*, IPR2025-00344, Paper 15 (PTAB Aug. 4, 2025) (rejecting argument that PO had no settled expectations when it acquired the patent in September 2023); *SAP America, Inc. v. Valtrus Innovations Ltd.*, IPR2025-00414, Paper 12 (PTAB July 10, 2025) (same).

Finally, HD indeed agrees H2's settled expectations “were disturbed by a change in law” (Pet. Br., 14), yet HD evades H2's patent bargain presumption against retroactive legislation that Supreme Court law supports (P.O. Br., 22-31).

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Respectfully submitted,

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## **CERTIFICATE OF SERVICE**

I hereby certify that on this 22nd day of August, 2025, I caused to be served a true and correct copy of the foregoing “Patent Owner’s Reply Discretionary Denial Brief” by electronic mail on the following:

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