UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CARVANA, LLC,
Petitioner

v.

INTERNATIONAL BUSINESS MACHINES CORP.
Patent Owner

Case IPR2025-00564

U.S. Patent No. 7,702,719

Title: Methods And Apparatus For Reducing The Number Of Server Interactions In Network-Based Applications Using A Dual-MVC Approach

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INTERNATIONAL BUSINESS MACHINES CORPORATION'S PATENT OWNER BRIEF SEEKING DISCRETIONARY DENIAL OF INSTITUTION UNDER 35 U.S.C. §314(a)

Mail Stop Patent Board
Patent Trial and Appeal Board
U.S. Patent and Trademark Office
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2003	*IBM v. Zynga*, 1:22-cv-00590, IBM Final Infringement Contentions (November 13, 2023) (excerpted)
2004	*IBM v. Zynga*, 1:22-cv-00590, DI 0081 Def Answer to 1st Amended Complaint (December 7, 2022) (excerpted)
2005	*IBM v. Zynga*, 1:22-cv-00590, Def Final Invalidity Contentions (December 12, 2023) (excerpted with redactions) (bearing Bates number range beginning with IBM-CARVANA00022845)
2006	*IBM v. Zynga*, 1:22-cv-00590, Def Exhibit C-13 Roy Invalidity Chart (December 12, 2023) (with redactions) (bearing Bates number range beginning with IBM-CARVANA00411693)
2007	*IBM v. Zynga*, 1:22-cv-00590, Expert Report of Dr. John K. Bennett (February 2, 2024) (excerpted with redactions) (including pages bearing Bates number range beginning with IBM-CARVANA00238717)[1]
2008	*IBM v. Zynga*, 1:22-cv-00590, Trial Transcript (September 12, 2024) (excerpted with redactions)
2009	*IBM v. Zynga*, 1:22-cv-00590, DI 0529 Jury Verdict (September 13, 2024) (with redactions)
2010	*IBM v. Zynga*, 1:22-cv-00590, DI 0539 Partial Judgment following Jury Verdict (September 24, 2024)
2011	*Carvana v. IBM*, 7:23-cv-08616, Carvana DJ Complaint (September 29, 2023)
2012	*Carvana v. IBM*, 7:23-cv-08616, DI 0012 Carvana Corrected DJ Complaint (October 2, 2023)
2013	*Carvana v. IBM*, 7:23-cv-08616, DI 0039 Case Management Order (December 12, 2023)

[1] Ex. 2007 includes excerpts of the Bates-stamped version of the Expert Report of Dr. John K. Bennett as well as the corresponding pages from a version of the same report without Bates stamps.

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I. INTRODUCTION

Carvana's Petition represents the textbook case for exercising discretion to deny institution under § 314(a). Virtually every *Fintiv* factor favors discretionary denial. Carvana's Petition copies the ***same* prior art** (the Roy reference), the ***same* expert testimony** (by Dr. James Bennett), and the ***same* analysis** that Zynga fully litigated—and ultimately lost—before a jury nine months ago in *IBM v. Zynga* ("*Zynga* Litigation"). There, the jury and district court rejected Zynga's invalidity case based on the same evidence that Carvana re-raises here.

Undeterred by Zynga's failure, after receiving Zynga's invalidity contentions in April 2024, Carvana hired the same expert and repackaged the same purported analysis in its own July 2024 invalidity contentions in the pending case *Carvana v. IBM* ("*Carvana* Litigation"). After the parties completed extensive fact discovery in the *Carvana* Litigation, including taking 30 fact depositions, and presenting oral argument at a full-day *Markman* hearing, Carvana now seeks to burden this Board by re-litigating the same reference, expert, and issues yet again—for a patent that expired three years ago. Carvana's strategic, inexcusable delay in filing its repetitive Petition is fatal. Fact discovery is complete and closed long ago (August 2024). The *Markman* hearing long ago passed (in November 2024). Only expert discovery and trial remain in the *Carvana* Litigation—and that trial will likely occur well before this Board would issue a Final Written Decision. This is precisely the type of

advanced district court posture that the *Fintiv* factors were designed to protect against.

Nor should Carvana be allowed to salvage its weak Petition by offering a *Sotera* stipulation. Doing so would effectively turn the *Sotera* stipulation from a shield protecting the Board's resources into a sword encouraging parties to repackage failed district court arguments into late-stage IPRs.

In sum, the Board should preserve its limited resources for more compelling cases and exercise its discretion to deny institution here.

II. BACKGROUND: THERE HAVE BEEN MULTIPLE PROCEEDINGS INVOLVING THE '719 PATENT

A. The Concluded *Zynga* Litigation Upheld The Validity Of The '719 Patent Over This Same Prior Art (Roy) And This Same Expert Testimony (Dr. Bennett)

On May 2, 2022, IBM filed a complaint against Zynga Inc. ("Zynga") in the District of Delaware for infringement of IBM patents, including the '719 patent. *See International Business Machines Corp. v. Zynga Inc., et al.*, Case No. 1:22-cv-00590-GBW (D. Del., Williams, J.) (Ex. 2001 (original complaint); Ex. 2002 (amended complaint); *see also* Ex. 2003 (IBM's Final Infringement Contentions).) On December 7, 2022, Zynga filed an answer that asserted invalidity of the '719 patent. (Ex. 2004.)

On December 12, 2023, Zynga served invalidity contentions with respect to the ’719 patent. (Ex. 2005.) Zynga’s invalidity contentions included a 41-page claim chart alleging invalidity of the ’719 patent ***based on the Roy reference***:

EXHIBIT C-13

Invalidity Contentions for U.S. Patent No. 7,702,719
Based on U.S. Patent No. 5,838,909 (“Roy”)

Based upon Plaintiff’s complaints, infringement contentions, and apparent claim constructions and application of the claims to Defendants’ accused products, as best as they can be deciphered, the reference charted below anticipates or at least renders obvious the asserted claims. These invalidity contentions are not an admission by Defendants that the accused products are covered by or infringe the asserted claims, particularly when these claims are properly construed and applied. These invalidity contentions are not an admission that Defendants concede or acquiesce to any claim construction implied or suggested by Plaintiff’s complaints or infringement contentions. Nor are Defendants asserting any claim construction positions through these charts, including whether the preamble is a limitation. The portions of the prior art reference cited below are not exhaustive but are exemplary in nature.

U.S. Patent No. 5,838,909 to H. Scott Roy and D. Harvey (“Roy”) was filed on May 23, 1996 and issued on November 17, 1998. Roy is prior art under at least pre-AIA 35 U.S.C. §§ 102(a), (b), and (e).

As described in the following claim chart, the asserted claims of U.S. Patent No. 7,702,719 (the “’719 Patent”), are invalid as anticipated by Roy. To the extent that Roy is found not to anticipate one or more of the asserted claims of the ’719 Patent, these claims are invalid as obvious in view of Roy alone or in combination with other prior art references disclosed in Defendants’ Invalidity Contentions and accompanying charts, including without limitation as set forth below.

’719 Patent	Roy
[1P] A method for use in a client/server system of reducing interactions between a client and server in association with an application being accessed by the client at the server, the method comprising the steps of:	To the extent the preamble is limiting, Roy discloses a method for use in a client/server system (*e.g.*, the client/server systems shown in Figures 1, 4, 5, or 6) of reducing interactions between a client (*e.g.*, computer system 60) and server (*i.e.*, central server 61 or whichever computer system has the “master event server” and “master database”—in the example of Figure 6, the “master event server” and “master database” are migrated from central server 61 to computer system 62 such that computer system 62 becomes the “server”, and the client computers, such as computer system 60, may connect directly to computer system 62 as depicted by the dotted line 63) in association with an application (*i.e.*, an online multiplayer game) being accessed by the client at the server. For example, see Figure 6:

(Ex. 2006 at 1 (annotations added); *see also* Ex. 2005 at 4 (“Ex. C-13 US 5,838,909 (‘Roy’)”).)

On February 2, 2024, Zynga served an expert report of ***Dr. John K. Bennett*** that alleged invalidity of the ’719 patent. (Ex. 2007.) Dr. Bennett’s report included over 50 pages of discussion alleging invalidity of the ’719 patent ***based on Roy***:

Expert Report of John K. Bennett, Ph.D., P.E. February 2, 2024	6. Roy[618] Anticipates or Renders Obvious Asserted Claims 1, 2, 12, and 26 of the '719 Patent * * * 478. In my opinion, Roy anticipates or renders obvious all the limitations of Asserted Claims 1, 2, 12, and 26 of the '719 Patent. In the alternative, to the extent any limitation is found missing from Roy, Roy renders all the Asserted Claims of the '719 Patent obvious in light of the knowledge possessed by one of ordinary skill in the art and/or the specific prior art references I discuss below. The bases for this opinion are set forth below.

(Ex. 2007 at 1 (annotations added), 15 (same), 70 (same), 84 (same); *see also generally id*. at 15-67, 84-136.)

On September 9-13, 2024, the *IBM v. Zynga* case was tried to a jury. On September 12, 2024, Dr. Bennett testified as Zynga's expert and testified, among other things, that "the '719 patent is invalid because it is obvious in light of Roy":

11	Q. And, Dr. Bennett, what are you here to testify about
12	today?
13	A. Generally, the '719 patent and my opinions that
14	Empires & Puzzles does not infringe the '719 patent and that
15	the '719 patent is invalid because it is obvious in light of
16	Roy.

(Ex. 2008 at 6 (999:11-16) (annotations added); *see also generally id.* at 4-14.)

On September 13, 2024, the jury rendered a verdict in favor of IBM. The jury's verdict rejected Zynga's and Dr. Bennett's invalidity allegations regarding Roy and upheld the validity of the '719 patent:

QUESTION 6: Did Zynga prove by clear and convincing evidence that claim 1 of the '719 Patent is invalid?

Checking "YES" below is a finding for Zynga.

Checking "NO" below is a finding for IBM.

☐ YES ☑ NO

(Ex. 2009 at 5 (annotations added).) And on September 14, 2024, the district court issued a final judgment in favor of IBM. The district court's final judgment likewise rejected Zynga's and Dr. Bennett's invalidity allegations regarding Roy and upheld the validity of the '719 patent:

6. Judgment is entered in favor of Plaintiff IBM and against Defendant Zynga with respect to Zynga's defense that Claim 1 of U.S. Patent No. 7,702,719 is invalid.

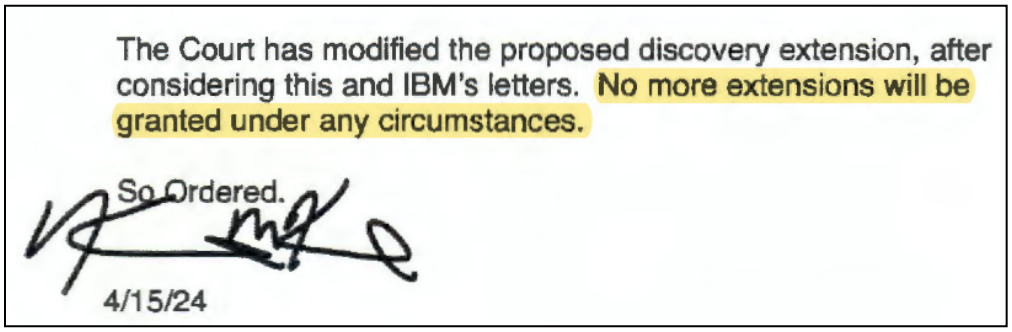
(Ex. 2010 (annotations added).) Accordingly, both the jury and district court rejected Zynga's and Dr. Bennett's allegation that the '719 patent is invalid based on Roy.

B. The Pending *Carvana* Litigation Re-Raises The Same Validity Issues Previously Adjudicated And Rejected In The *Zynga* Litigation

On September 29, 2023, Carvana filed a declaratory judgment action against IBM in the Southern District of New York seeking declarations regarding certain IBM patents (which did not then include the '719 patent). (*See* Ex. 2011 (*Carvana, LLC v. International Business Machines Corp.*, Case No. 7:23-cv-8616-KMK-VR (S.D.N.Y., Karas, J.), original complaint); Ex. 2012 (corrected complaint).) On

December 12, 2023, the district court entered a fast-paced schedule that set June 28, 2024 as the deadline to complete all fact discovery. (Ex. 2013.)

On April 3, 2024, IBM amended its answer and counterclaims to add claims for infringement of the '719 patent. (Ex. 2014.) On April 15, 2024, in view of the addition of the '719 patent, the district court provided a two-month extension of the close of fact discovery to August 28, 2024 as well as other corresponding adjustments. (Ex. 2015.) Underscoring the litigation's fast-paced nature, the district court expressly warned that "[n]o more extensions will be granted under any circumstances."


The Court has modified the proposed discovery extension, after considering this and IBM's letters. No more extensions will be granted under any circumstances.

So Ordered.

4/15/24

(Ex. 2015 at 3 (annotation added).)

In March and April 2024, IBM produced litigation materials from the *Zynga* Litigation to Carvana, including materials relating to Zynga's and Dr. Bennett's allegations that Roy invalidated the '719 patent. Specifically, on March 1, 2024, IBM produced Dr. Bennett's above-referenced invalidity report—which included the above-referenced discussion alleging invalidity of the '719 patent based on Roy—to Carvana. (Ex. 2016 (March 1, 2024 original production of documents

including Dr. Bennett's invalidity report (bearing the Bates number range starting with IBM-CARVANA00238717)); Ex. 2017 (March 22, 2024 reproduction of documents)*; see also* Ex. 2007 at 70.) And on April 19, 2024, IBM produced Zynga's above-referenced invalidity contentions—including Zynga's claim chart alleging invalidity of the '719 patent based on Roy—to Carvana. (Ex. 2018 (April 1, 2024 production of documents including Zynga's Roy invalidity chart (bearing the Bates number range starting with IBM-CARVANA00411693)).) Accordingly, Carvana knew of Roy, Dr. Bennett's opinions regarding Roy, and Zynga's invalidity contentions regarding Roy by no later than ***April 2024***. Carvana, however, chose not to file any IPR petition at that time.

The parties then actively litigated the district court case—past both the close of fact discovery and the *Markman* hearing. On May 24, 2024, IBM served its initial infringement contentions for the '719 patent, which identified IBM's asserted claims (*i.e.,* claims 1-4, 8, 10-12, 26). (Ex. 2019 at 7.) On July 10, 2024, Carvana served its invalidity contentions for the '719 patent, which expressly cited to and incorporated by reference Zynga's invalidity contentions. (Ex. 2020 at 8; Ex. 2021 at 1.) With the benefit of the produced Zynga contentions regarding Roy, Carvana's invalidity contentions included a 63-page claim chart that likewise alleged invalidity of the '719 patent ***based on Roy***:

Carvana, LLC v. International Business Machines Corporation, No. 1:23-cv-8616 (KMK) U.S. Patent No. 7,702,719

EXHIBIT D-13

Invalidity Contentions for U.S. Patent No. 7,702,719
Based on U.S. Patent No. 5,838,909 ("Roy")

Based upon IBM's counterclaims, infringement contentions, and apparent claim constructions and application of the claims to Carvana's accused products, as best as they can be deciphered, the reference charted below anticipates or at least renders obvious the asserted claims. These invalidity contentions are not an admission by Carvana that the accused products are covered by or infringe the asserted claims, particularly when these claims are properly construed and applied. These invalidity contentions are not an admission that Carvana concede or acquiesce to any claim construction implied or suggested by IBM's counterclaims or infringement contentions. Nor is Carvana asserting any claim construction positions through these charts, including whether the preamble is a limitation. The portions of the prior art reference cited below are not exhaustive but are exemplary in nature.

Asserted Claims 1-4, 8, 10-12, and 26 of U.S. Patent No. 7,702,719 ("the '719 patent") are anticipated and/or obvious in view of U.S. Patent No. 5,838,909 ("Roy"), either alone or in combination with the knowledge of a person of ordinary skill in the art ("POSITA"), or in combination with one or more other references disclosed in Carvana's Invalidity Contentions, including the other charted references, and the Applicant's admitted prior art ("AAPA") of the '719 patent.

Roy was filed on May 23, 1996 and issued on November 17, 1998. Roy is prior art under at least pre-AIA 35 U.S.C. §§ 102(a), (b), and (e).

In addition, Carvana incorporates by reference the prior art disclosures identified in the invalidity claim charts served in prior matters, including the claims charts provided in and with IBM-CARVANA00020414 (Zynga 3/17/2023); IBM-CARVANA00022219 (Zynga 10/27/2023); and IBM-CARVANA00022845 (Zynga 12/12/2023).

Claim Language	Prior Art References
1(pre). A method for use in a client/server system of reducing interactions between a client and server in association with an application being accessed by the client at	To the extent the preamble is limiting, Roy discloses a method for use in a client/server system (*e.g.*, the client/server systems shown in Figures 1, 4, 5, or 6) of reducing interactions between a client (*e.g.*, computer system 60) and server (*i.e.*, central server 61 or whichever computer system has the "master event server" and "master database"-in the example of Figure 6, the "master event server" and "master database" are migrated from central server 61 to computer system 62 such that computer system 62 becomes the "server", and the client computers, such as computer system 60, may connect directly to computer system 62 as depicted by the dotted line 63) in association with

(Ex. 2021 at 1 (annotations added).) Indeed, large swaths of Carvana's invalidity chart for Roy appear copied from Zynga's invalidity chart for Roy—approximately 51 pages of Carvana's 63-page chart are identical to Zynga's chart. (*Compare* Ex. 2006 *with* Ex. 2021; *see also* Ex. 2022 (highlighting language that is identical between Ex. 2006 and Ex. 2021).) Despite Carvana's awareness of IBM's asserted claims and Carvana's serving of its own invalidity contentions based on Roy, Carvana again chose not to file any IPR petition at that time.

From June to August 2024, the parties completed fact discovery. The parties collectively served over 300 requests for production and collectively produced over

450,000 pages of documents.[2] In addition, the parties collectively served thousands of pages of infringement and invalidity contentions and other written discovery responses. And perhaps most critically, the parties spent over 130 hours taking ***30 depositions*** of fact witnesses across the country—including both party witnesses and third-parties—on various issues, including validity. (Ex. 2023.) Carvana allowed all of this fact discovery to proceed through completion without filing any IPR petition.

In addition, from August to October 2024, the parties engaged in claim construction briefing that culminated in a November 2024 *Markman* hearing. The parties engaged in four rounds of claim construction briefing amounting to 130 pages in total: (1) IBM's August 13, 2024 opening claim construction brief (35 pages); (2) Carvana's September 13, 2024 responsive claim construction brief (42 pages); (3) IBM's October 1, 2024 reply claim construction brief (30 pages); and (4) Carvana's

[2] Over the course of fact discovery, IBM produced over 420,000 pages of documents (e.g., spanning the Bates ranges of IBM-CARVANA00000001 – IBM-CARVANA00427603 and IBM-CARVANA01427255 – IBM-CARVANA001427415), while Carvana produced nearly 50,000 pages of documents (e.g., spanning the Bates range of CARVANA0000001 – CARVANA0049866).

October 18, 2024 sur-reply claim construction brief (23 pages). (Ex. 2024 (combined claim construction briefing).) And on November 20, 2024, the district court held an all-day *Markman* hearing to resolve the parties' many claim construction disputes across the three asserted patents, including the '719 patent. (Ex. 2025 at 56:21-99:3 (addressing disputed claim terms for the '719 Patent).) Carvana allowed full claim construction briefing and the *Markman* hearing to occur without filing any IPR petition.[3]

In short, Carvana allowed all of these critical litigation events to occur and conclude without filing any IPR petition.[4]

[3] The Court's *Markman* ruling based on the August-October 2024 claim construction briefing and the November 20, 2024 *Markman* hearing is forthcoming.

[4] On February 7, 2025, Carvana asked the Court for a pre-motion conference concerning a potential motion to stay, but Carvana has not yet filed its motion. (D.I. 142-43.) The Court has entered a protracted briefing schedule that will not conclude before June 18, 2025. (Ex. 2026.) The Board therefore has an opportunity to issue a discretionary denial of the Petition before the district court even considers, let alone rules on, Carvana's motion to stay. The Board's discretionary denial of the Petition would moot Carvana's motion to stay.

C. Carvana's Delayed IPR Petition Rehashes The Same Roy Reference And Dr. Bennett Testimony Previously Rejected In The *Zynga* Litigation And Again At Issue In The *Carvana* Litigation

On January 31, 2025—over five months after the close of fact discovery and two months after the district court's *Markman* hearing—Carvana filed its eleventh-hour Petition. Like in the concluded *Zynga* Litigation and the pending *Carvana* Litigation, the Petition relies critically on Roy for each alleged invalidity ground:

Ground	Claim(s)	Reference(s)	Basis
1	1, 13, 25, 26	Roy	§102
2	1, 13, 25, 26	Roy	§103
3	2, 4–12, 14, 16–24	Roy, Fennell, and O'Reilly	§103
4	3, 15	Roy and Fennell	§103

(Pet., 3 (annotations added).) Indeed, the Petition relies on Roy as the ***only*** reference with respect to each independent claim (*i.e.,* claims 1, 13, 25, and 26) and relies on Roy as a ***primary and necessary*** reference for its combinations for each dependent claim (*i.e.,* claims 2-23 and 14-24). And like in the concluded *Zynga* Litigation, the Petition relies critically on Dr. Bennett's testimony purporting to analyze Roy. (Ex. 1003.)

III. THE BOARD SHOULD DISCRETIONARILY DENY CARVANA'S IPR PETITION IN VIEW OF THE ALREADY-CONCLUDED ZYNGA LITIGATION AND THE LONG-PENDING CARVANA LITIGATION

The Board should not expend its limited resources to revisit the same Roy-based invalidity allegations and the same expert testimony that were already

adjudicated—and rejected—in the concluded *Zynga* Litigation and that Carvana has already rehashed in the pending *Carvana* Litigation.

A. Legal Standards

The Board has identified factors relating to "whether efficiency, fairness, and the merits support the exercise of authority to deny institution" in view of a parallel proceeding—each of which supports denial here. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, at 6 (PTAB Mar. 20, 2020) (designated precedential May 5, 2020) ("*Fintiv*"). The *Fintiv* factors include:

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.

Id. at 6.

In addition, the PTAB's March 24, 2025 memorandum (the "Guidance Memo") provided guidance regarding discretionary denials in AIA post-grant proceedings. (Guidance Memo at 1.) Reversing the prior guidance memo issued in 2022, the 2025 Guidance Memo explained that a *Sotera* stipulation "will ***not*** be

dispositive by itself"; instead, the Board will merely "consider such a stipulation as part of its holistic analysis under *Fintiv*." (*Id.* at 2-3.) The Guidance Memo also confirmed that "in applying *Fintiv*, the 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***." (*Id.* at 3 (emphasis added).)

Furthermore, the PTAB's March 26, 2025 memorandum (the "Interim Processes Memo") set forth interim processes relating to discretionary institution of AIA proceedings. (Interim Processes Memo at 1.) The Interim Processes Memo explained that "decisions on whether to institute an IPR or PGR will be bifurcated between (i) discretionary considerations and (ii) merits and other non-discretionary statutory considerations." (*Id.* at 1.) "[C]onsistent with the discretionary considerations enumerated in existing Board Precedent … and the Consolidated Trial Practice Guide (Nov. 2019), the parties are permitted to address all relevant considerations, which may include:

- Whether the PTAB or another forum has already adjudicated the validity or patentability of the challenged patent claims;
- Whether there have been changes in the law or new judicial precedent issued since issuance of the claims that may affect patentability;
- The strength of the unpatentability challenge;
- The extent of the petition's reliance on expert testimony;

- Settled expectations of the parties, such as the length of time the claims have been in force;
- Compelling economic, public health, or national security interests; and
- Any other considerations bearing on the Director's discretion."

(*Id.* at 2-3.) As set forth below, a balancing of these factors demonstrates that denial of institution would best serve the efficiency and integrity of the AIA. *Fintiv* at 6.

B. The *Fintiv* Factors Favor Discretionary Denial Of Institution

A holistic balancing of the *Fintiv* factors favors exercising discretion to deny institution of Carvana's Petition.

1. Factor 1 slightly favors (or is at least neutral toward) exercising discretion to deny institution

Factor 1 concerns "whether a stay exists or is likely to be granted if a proceeding is instituted." *Fintiv* at 6. This factor is only relevant to the *Carvana* Litigation because the *Zynga* Litigation is already concluded.

Here, the *Carvana* Litigation has ***not*** been stayed. Furthermore, it is highly unlikely that the *Carvana* district court will stay the litigation, especially before the Board has an opportunity to rule on the threshold issue of discretionary denial. At the time of this brief's filing, Carvana still has not yet formally filed any motion to stay pending IPR. Moreover, the *Carvana* district court has set a protracted schedule for any motion to stay, in which briefing will not conclude before June 18, 2025. (Ex. 2026.) After the close of briefing, the *Carvana* district court will then need to

consider the parties' briefs—and will likely schedule a hearing for the parties to present oral argument—before ultimately ruling on any motion. As such, it is unlikely that the *Carvana* district court will rule on any such motion until well after June 18, 2025.[5] The Board therefore has an opportunity to issue a discretionary

[5] Apart from the timing issue, Carvana's anticipated motion to stay pending IPR is weak. (Ex. 2027.) In the Southern District of New York, "[t]here is no per se rule that patent cases should be stayed pending [IPR], because such a rule would invite parties to unilaterally derail litigation." *Grecia v. MasterCard, Inc.*, 2017 WL 11566955 at *2 (S.D.N.Y. Apr. 3, 2017). Indeed, the same factors that favor discretionary denial of institution here likewise favor denial of Carvana's forthcoming motion to stay—*e.g.,* Carvana's Petition rehashes the same prior art (Roy) and same expert testimony (by Dr. Bennett) that the jury rejected in upholding the validity of the '719 patent in the concluded *Zynga* Litigation; the pending *Carvana* Litigation has progressed to an advanced stage past both the close of fact discovery and the *Markman* hearing; and Carvana tactically delayed filing its Petition for 10 months after knowing about the specific prior art and expert testimony on which its Petition now relies. (Ex. 2027.) Moreover, besides the '719 patent, the Carvana litigation also involves ***two additional asserted patents***, which

denial of the Petition before the Court even considers, let alone rules on, Carvana's motion to stay. And critically, the Board's discretionary denial of the Petition would moot Carvana's motion to stay entirely.

Because the *Carvana* district court has not stayed this litigation and is unlikely to do so—particularly before the Board rules on the threshold issue of discretionary denial—factor 1 slightly favors (or is at least neutral toward) discretionary denial. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12 (PTAB May 13, 2020) (informative) ("*Fintiv II*"); *see also Solus Advanced Materials Co, Ltd. v. SK Nexilis Co., Ltd.*, IPR2024-01460, Paper 14 at 15 (PTAB Apr. 22, 2025); *Samsung Elecs. Co., Ltd. v. Truesight Communications LLC*, IPR2025-00123, Paper 12 at 6 (PTAB Apr. 22, 2025).

2. Factor 2 strongly favors denial of institution because the district court trial is likely to occur well before the Final Written Decision

Factor 2 concerns "proximity of the court's trial date to the Board's projected statutory deadline for a final written decision." *Fintiv* at 6. Both the *Zynga* Litigation and the *Carvana* Litigation support discretionary denial under Factor 2 because (1) the *Zynga* Litigation has already concluded with a final judgment and

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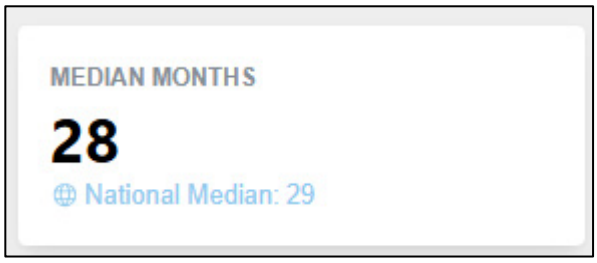
Carvana did not challenge in an IPR petition. (*See* Ex. 2014.) For this additional reason, the district court is unlikely to stay the *Carvana* Litigation. (*See* Ex. 2027.)

(2) trial of the *Carvana* Litigation is expected to occur well before the expected September 11, 2026 deadline for any Final Written Decision on Carvana's Petition.

The *Zynga* Litigation concluded in September 2024, two years before the expected Final Written Decision date for Carvana's Petition (September 11, 2026). (*See* Ex. 2010.) Accordingly, Factor 2 strongly favors denial of institution on account of the *Zynga* Litigation, which rejected the same allegations that Carvana now re-raises in the Petition. *See, e.g., Fitbit Inc. v. Philips North Am. LLC*, IPR2020-00828, Paper 13 at 10 (PTAB Nov. 3, 2020) (discretionarily denying IPR petition based in part on litigation involving between patent owner and third party, finding that "we consider the facts surrounding the [third party's] case, including the trial date, as relevant to our determination of whether to invoke our discretion to deny institution . . . [t]he fact that the trial in the [third party's] case will likely take place several months prior to the final decision weighs in favor of invoking our discretion to deny institution").[6]

[6] *See also Mylan Lab'ys Ltd. v. Janssen Pharmaceutical Nv*, IPR2020-00440, Paper 17 at 14-15, 21 (PTAB Sep. 16, 2020) (finding that factor 2 weighs "strongly in favor of denying institution" where a third-party's litigation involving the same claims and "rely[ing] primarily upon the same references" for invalidity was "scheduled to begin trial later this month . . . almost a year prior to the deadline for

The *Carvana* Litigation further supports discretionary denial under factor 2 because it is expected to go to trial in early 2026, well before the projected September 11, 2026 Final Written Decision date for the Petition. For the recent period of January 2015 to April 2025, Docket Navigator indicates that the median time-to-trial for patent cases in the Southern District of New York is 28 months:[7]



a final written decision in this *inter partes* review"); *Amazon.com, Inc. v. Vocalife LLC*, IPR2020-00864, Paper 22 at 9-10 (PTAB Oct. 28, 2020) ("Because the trial date is substantially earlier than the projected statutory deadline for the Board's final decision, this factor strongly favors exercising our discretion to deny institution.")

[7] As discussed above, the PTAB's March 24, 2025 Guidance Memo explains that "in applying *Fintiv*, the 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." Guidance Memo at 3. The PTAB has relied on data from Docket Navigator in its institution decisions. *See, e.g., BOE Tech. Grp. Co., Ltd. v. Optronic Sciences, LLC*, IPR2024-01133, Paper 16 at 10 (PTAB Jan. 27, 2025).

(Ex. 2028.) Therefore, the median time-to-trial statistics indicate that the trial of a patent case in the Southern District of New York is likely to occur approximately 28 months from the filing of the case. (Ex. 2028.)[8]

Here, Carvana commenced the *Carvana* Litigation in the Southern District of New York in September 2023. (*Carvana v. IBM*, Case No. 7:23-cv-08616, D.I. 2.)

[8] The most recent Federal Caseload Management Statistics states that a civil case in the Southern District of New York is tried 39.3 months from the filing of the complaint. (Ex. 2029.) IBM, however, submits that the statistics from Docket Navigator are more reliable than the Federal Caseload Management Statistics in predicting when the *Carvana* Litigation is likely to go to trial. The statistics from Docket Navigator are specific to patent cases (Ex. 2028 ("Patent Research Tools") whereas the Federal Caseload Management Statistics are directed to ***all*** civil cases—***not*** just patent cases. (*See* Ex. 2029 ("From Filing to Trial (Civil Only)").) IBM also notes that, consistent with Docket Navigator, the time to trial in 2020 was 30.7 months and that time has continued trending down since peaking in 2022 during the extenuating circumstances of the COVID-19 pandemic. (*Id*.) Accordingly, IBM respectfully submits that the patent-specific statistics that IBM has presented from Docket Navigator are more reliable and probative than the general Federal Caseload Management Statistics regarding when the *Carvana* Litigation is likely to go to trial.

Based on Docket Navigator's median time-to-trial of 28 months, the trial for the *Carvana* Litigation is expected to take place in ***January 2026***. That is ***well before*** the September 11, 2026 projected date for a Final Written Decision.[9]

While the median time-to-trial statistics should be dispositive, the district court's own scheduling order confirms the high likelihood that the trial in the *Carvana* Litigation will take place well before the September 11, 2026 projected date for a Final Written Decision. The scheduling order provides that expert

[9] IBM submits that the median time-to-trial statistics properly apply to the September 2023 date on which Carvana filed its district court action. But even if the Board were to consider an adjustment due to the subsequent addition of the '719 patent to the *Carvana* Litigation, the *Carvana* district court's minimal scheduling adjustment confirms that this should not materially impact the factor 2 analysis. In response to the addition of the '719 patent to the *Carvana* Litigation, the *Carvana* district court merely extended fact discovery by only two months. (Ex. 2015 at 2.) IBM had concurrently dropped a different patent from the case so the size of the case—three patents—remained the same despite the addition of a patent. Therefore, even applying the district court's two-month scheduling adjustment, the trial of the *Carvana* Litigation would likely take place in March 2026—still several months before the projected date for a Final Written Decision.

discovery closes and summary judgment briefs are due a mere 161 days after the *Markman* ruling. (Ex. 2013, ¶¶ 7-8.) Under the Local Rules of the Southern District of New York, summary judgment briefing would close a mere 21 days later. (Joint Local Rules, S.D.N.Y. and E.D.N.Y., Local Civil Rule 6.1(b).) Even assuming favorably to Carvana that trial were to take place a full 90 days (three months) after the close of summary judgment briefing, the *Carvana* Litigation still would have only about 270 days (*i.e.*, 161 (expert discovery and summary judgment opening briefing) + 21 (summary judgment responsive and reply briefing) + 90 days) of remaining work before trial. As a result, even if the district court were to issue its *Markman* ruling as late as July 2025, the trial would likely occur by April 2026, still ***well before*** the September 11, 2026 projected date for a Final Written Decision.

Because the *Zynga* Litigation has already concluded and it is likely that trial of the *Carvana* Litigation will occur around ***six or more months*** before the Board is expected to issue the Final Written Decision, factor 2 strongly favors discretionary denial. *See, e.g., HP Inc. v. Universal Connectivity Techs., Inc.*, IPR2024-01428, Paper 12 at 6 (PTAB Apr. 8, 2025) (factor 2 strongly favors discretionary denial when trial is expected to occur about 6 months before expected final written decision); *Solus*, IPR2024-01460, at 16 (same); *Truesight*, IPR2025-00123, at 7 (same).

3. Factor 3 favors denial of institution because the district court and parties have made substantial investments in the district court litigation

Factor 3 concerns "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* at 9. In considering the timing of the petition relative to the progress of the case, the Board has observed the following:

> If the evidence shows that the petitioner filed the petition expeditiously, such as promptly after becoming aware of the claims being asserted, this fact has weighed against exercising the authority to deny institution under *NHK*. If, however, the evidence shows that the petitioner did not file the petition expeditiously, such as at or around the same time that the patent owner responds to the petitioner's invalidity contentions, or even if the petitioner cannot explain the delay in filing its petition, these facts have favored denial.

Fintiv at 11-12.

Here, the court and parties made substantial investments in the district court litigation during the approximately 10-month period during which Carvana delayed filing its Petition. While Carvana engaged in delay from April 3, 2024 to January 31, 2025, the parties not only completed exhaustive fact discovery—including producing hundreds of thousands of pages of document production and written discovery and taking 30 fact depositions for over 130 deposition hours—but also completed claim construction briefing and an all-day *Markman* hearing, as detailed

above in Section II.B. (*See, e.g.,* Exs. 2024-2026.) These critical litigation events represent substantial investments in the pending litigation by both the district court and the parties. *See, e.g., Roku, Inc. v. Ioengine, LLC*, No. IPR2022-01553, Paper 11 at 11-12 (PTAB May 5, 2023) (finding that the entry of "final infringement and invalidity contentions," the completion of "claim construction proceedings," production of nearly 200,000 pages of documents, and expected close of fact discovery prior to an institution decision supported the finding that "there has been substantial investment by the parties and the district court in the parallel proceeding . . . [u]nder the circumstances, we find that the third *Fintiv* factor weighs heavily in favor of discretionary denial of institution.").[10] Carvana allowed all of these critical litigation events to go forward through completion, without filing any IPR petition.

[10] *See also 10x Genomics, Inc. v. President & Fellows of Harvard Coll.*, No. IPR2023-01299, Paper 15 at 17-18 (PTAB Mar. 7, 2024) (finding that "the parties have made a substantial investment in the parallel proceeding" in light of the fact that "the parties have exchanged initial and supplemental infringement and invalidity contentions, completed claim construction briefing and held a claim construction hearing" and that "document production was completed by December 22, 2023"); *Samsung Elecs. Co., Ltd. v. Truesight Communications LLC*, No. IPR2024-01477, Paper 12 at 11-12 (PTAB Apr. 21, 2025) (finding that because "document

Nor does Carvana have any excuse for its failure to file an IPR petition in a more expeditious manner. By ***April 2024,*** Carvana knew of the Roy reference and, indeed, had received both Zynga's invalidity contentions regarding Roy and Dr. Bennett's invalidity report regarding Roy from IBM's productions to Carvana of materials from the *Zynga* Litigation. (Ex. 2006; Ex. 2018; Ex. 2007; Ex. 2017.) By ***May 24, 2024***, Carvana knew of the specific asserted claims from IBM's infringement contentions served on that date. (Ex. 2019.) And by ***July 10, 2024***, Carvana knew of the purported importance of Roy, as Carvana itself served invalidity contentions based on Roy—including a claim chart purporting to show that Roy invalidated the asserted claims of the '719 patent—on that date. (Ex. 2020; Ex. 2021.) Indeed, Carvana's invalidity claim chart for Roy was nearly identical to Zynga's invalidity claim chart for Roy, which confirms that Carvana is simply rehashing the same invalidity allegations previously rejected in the *Zynga* litigation.

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production is substantially complete and fact discovery will be completed within two weeks of this Decision on Institution" and "a hearing on claim construction and associated briefing is complete," "there has been notable investment by the parties in the District Court litigation."); *Mylan* at 18 (finding that that fact that "the district court has issued substantive orders related to the patent at issue in the petition regarding scheduling of discovery" favored denial under factor 3).

(Ex. 2022 (highlighting in yellow the portions of Carvana's invalidity contentions that are identical to Zynga's invalidity contentions).)

For strategic reasons or otherwise, Carvana chose to delay filing its Petition (1) for nine months after knowing about the Roy reference and Dr. Bennett's invalidity report, (2) for eight months after IBM identified its asserted claims, and (3) for six months after Carvana itself served its Roy-based invalidity contentions—which advanced the same previously-rejected allegations that Carvana now rehashes yet again in its repetitive Petition. Carvana's lengthy delay is inexcusable.

In sum, the district court and parties have invested a substantial amount of time, effort, and resources in the parallel district court litigation. Carvana's failure to file its Petition in a timely manner and utter lack of diligence while the parties and district court made substantial investments in the litigation, including completing fact discovery and the *Markman* process, has no excuse or legitimate explanation. Because the district court and parties made substantial investments in the district court litigation and Carvana's delay in filing its IPR lacks excuse or explanation, factor 3 favors discretionary denial. *Google LLC v. Agis Software Development, LLC*, IPR2020-00871, Paper 16 at 13-14 (PTAB Nov. 25, 2020) ("When 'the evidence shows that the petitioner[s] did not file the petition expeditiously . . . or even if the petitioner cannot explain the delay in filing its petition,' we weigh this factor toward exercising discretion to deny institution") (quoting *Fintiv*, at 11-12);

Comcast Cable Comms LLC v. Touchstream Techs, Inc., IPR2024-00326, Paper 13 at 10 (PTAB Jul. 26, 2024) (lack of diligence, demonstrated by filing petition "almost seven months after learning of the asserted claims and almost five months after serving its initial invalidity contentions," favored discretionary denial).

4. Factor 4 strongly favors denial of institution because there is substantial overlap between this IPR and the parallel litigations

Factor 4 concerns "overlap between issues raised in the petition and in the parallel proceeding." *Fintiv* at 12. As the Board found in *Fintiv*:

> [I]f the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial. Conversely, if the petition includes materially different grounds, arguments, and/or evidence than those presented in the district court, this fact has tended to weigh against exercising discretion to deny institution under *NHK*.

Fintiv at 12-13. Here, the validity issues re-raised in the Petition substantially overlap those already adjudicated and rejected in the concluded *Zynga* Litigation. Moreover, Carvana's *Sotera* stipulation does not eliminate the substantial overlap between the validity issues re-raised in the Petition and those already raised in the pending *Carvana* Litigation.

First, the Petition re-raises the same Roy-based invalidity allegations already adjudicated and rejected in the *Zynga* Litigation. The claims challenged in the

Petition include the ***same claims*** asserted in the *Zynga* Litigation—i.e., claims 1, 2, 12, and 16. (*Compare* Pet., 3 *with* Ex. 2003 at 1 ("IBM contends that Zynga, either alone or in conjunction with others, has infringed, and continue to infringe, literally and/or under the doctrine of equivalents, … claims 1–2, 12, and 26 of United States Patent No. 7,702,719.").) In addition, the Roy reference that forms the basis for all Petition grounds is the ***same reference*** that both the jury and the district court found did not invalidate claim 1 of the '719 patent in the *Zynga* Litigation.[11] (Exs. 2004-08.)

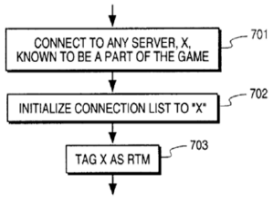
Indeed, the Petition relies on not only the same Roy reference but also the same expert, Dr. Bennett—whose invalidity allegations based on Roy were rejected by the jury and the district court in the *Zynga* Litigation. (*See* Ex. 2007 at 15-67, 84-136; Ex. 2008 at 4-14.) In fact, as the following exemplary screenshots demonstrate, large swaths of Dr. Bennett's February 2, 2024 expert report in the

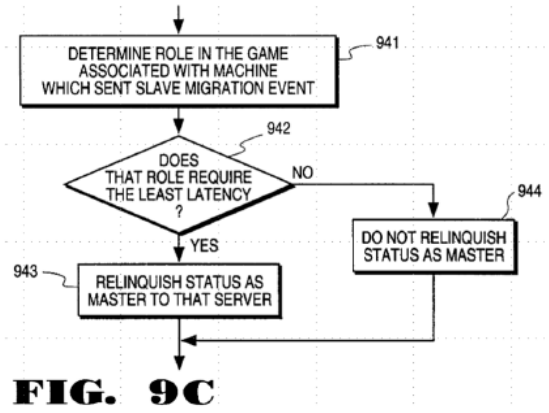
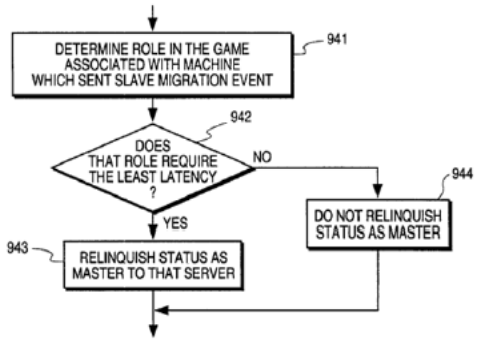
[11] Claim 1 is the only claim of the '719 patent that was ultimately tried in the *Zynga* Litigation. (Ex. 2009.) Notably, the Petition relies on the same common disclosures and analysis of Roy in purporting to satisfy all independent claims. (*Compare* Ex. 2007 *with* Ex. 1003; *see also* Pet., 30-44 (applying the same analysis to all independent claims).) Therefore, the validity issues tried in the *Zynga* Litigation overlap with all claims at issue in the Petition.

Zynga Litigation (Ex. 2007) and Dr. Bennett's January 30, 2025 IPR declaration (Ex. 1003) are nearly carbon copies of each other, including even the near-identical highlights.

Bennett *Zynga* Report (Ex. 2007)	**Bennett IPR Declaration (Ex. 1003)**
88. In this figure, the "User Interaction Window" 1200 is a web browser. All other boxes are the individual components of the Model-View-Controller found on both client (surrounded by a blue box) and server (surrounded by a green box). The "HTTP Network" 3000 is presumably a standard network interface capable of supporting HTTP, although the version of HTTP to which the patent's authors refer is not specified. The server-side MVC components (5000) are considered to be the "authoritative" (complete) copies of these components; the client-side versions of these components (1000) are subsets of the server version ("a subset of the application's Model-View-Controller reside on the client, and the full Model-View-Controller and View-Generating Logic reside on the server"[28]). (Ex. 2007, ¶¶ 88)	55. In this figure, the "User Interaction Window" 1200 runs within a web browser, but all other boxes are the individual components of the Model-View-Controller found on both client (surrounded by a blue box) and server (surrounded by a green box). The "HTTP Network" 3000 is presumed to be a standard network interface capable of supporting HTTP. The server-side MVC components (5000) are considered to be the "authoritative" (complete) copies of these components; the client-side versions (1000) are subsets of the server version ("a subset of the application's Model-View-Controller reside on the client, and the full Model-View-Controller and View-Generating Logic reside on the server").[17] (Ex. 1003, ¶ 55)
498. For example, as described, "local events" are processed on the client and therefore do not require any server interaction.[641] Accordingly, interactions between the client and server are reduced. In particular, Roy discloses that an "event" is created each time a user issues a (Ex. 2007, ¶ 498)	136. "Local events" are processed on the client and therefore do not require any server interaction.[115] Accordingly, just as claimed in the preamble (claims 1, 25, and 26), interactions between the client and server are reduced. (Ex. 1003, ¶ 136)
504. First, Roy discloses configuring the server to store a model associated with the application. For example, Roy configures the "master database" on the server to store a "database represent[ing] a world model for the game."[648] Roy further explains how the "game world can be modeled by a database" which is located on a "central server."[649] (Ex. 2007, ¶ 504)	143. First, Roy discloses limitation (a) "configuring the server to store a model associated with the application." For example, Roy configures the "master database" to store a "database represent[ing] a world model for the game" (the server).[123] Roy further explains how the "game world can be modeled by a database" which can be located on a user's computer (the (Ex. 1003, ¶ 143)
505. Second, Roy discloses configuring the server to execute view-generating logic associated with the application. As an initial matter, Roy discusses the concept of "*[r]endering* (Ex. 2007, ¶ 505)	144. Second, Roy discloses configuring the server to "execute view-generating . . . logic associated with the application." (Ex. 1003, ¶ 144)

Bennett *Zynga* Report (Ex. 2007)	Bennett IPR Declaration (Ex. 1003)
509. Third, Roy discloses the server executing controller logic associated with the application. For example, Roy explains that the "master event server sequences user inputs, or events, for updating the master database" (i.e., controller logic is executed to update the game world model): "A method and apparatus for reducing network latency during execution of a multiple-player game across a computer network are provided. A master database represents a world model for the game, and a master event server sequences user inputs, or events, for updating the master database. The master event server and the master database are initially located on a particular node in the network. Every other node that is used by a player in the game has a slave event server and a slave database."[659] (Ex. 2007, ¶ 509)	147. Third, Roy discloses the server "execut[ing] . . . controller logic associated with the application." For example, Roy explains that the "master event server sequences user inputs, or events, for updating the master database" (i.e., controller logic is executed to update the application model): "A method and apparatus for reducing network latency during execution of a multiple-player game across a computer network are provided. A master database represents a world model for the game, and a master event server sequences user inputs, or events, for updating the master database. The master event server and the master database are initially located on a particular node in the network. Every other node that is used by a player in the game has a slave event server and a slave database."[127] (Ex. 1003, ¶ 147)
526. Thus, as an example, the entire master database "or portions thereof"[683] would be saved in database 68 of client computer 60, meaning at least a subset of the data comprising the world model would be stored on the client. (This is true even when the master database and master (Ex. 2007, ¶ 526)	152. Thus, as an example, the entire master database "or portions thereof"[133] would be saved in database 68 of client computer 60, meaning at least a subset of the data comprising the world model would be stored on the client. This limitation is therefore met whether a "model" is (Ex. 1003, ¶ 152)
527. Second, Roy discloses configuring the client to execute at least a subset of the view-generating logic associated with the application. As an example, Roy discloses that the display 70 of client computer 60 is updated by rendering commands 69 from the slave copy 68 of master database 72 (when the master database has been migrated to computer 62), rather than from the master database itself, thereby reducing bandwidth consumption on the network: (Ex. 2007, ¶ 527)	153. Second, Roy discloses "configuring the client to execute at least a subset of the view-generating . . . logic associated with the application." As an example, Roy discloses that the display 70 of client computer 60 is updated by rendering commands 69 from the slave copy 68 of the master database, rather than from the master database itself, thereby reducing server interactions on the network. While this description references Figure 5A, the elements relevant to computer 60 (player A) are consistent with respect to Figure 6. (Ex. 1003, ¶153)
533. Additionally, for the same reasons described above regarding the view-generating logic, it would be understood by a POSITA, or would at least be obvious to a POSITA, that the controller logic on each computer system would be the same. For example, it would be obvious to a POSITA that each computer would process "purely local events" in the same way, such as local events for setting display options.[691] Further, because any computer can become an effective server, a POSITA would understand that the controller logic on each computer would be the same, or at the very least it would be obvious to do so for the reasons discussed above. (Ex. 2007, ¶ 533)	158. Additionally, for the same reasons described above regarding the view-generating logic, a POSITA would understand that the controller logic on each computer system would be the same. For example, it would be obvious to a POSITA that each computer would process "purely local events" in the same way, such as local events for setting display options.[137] Again, any POSITA would, whenever technically feasible, seek to avoid the expense and inefficiency of developing different logic and program code to perform the same task, as a matter of both common sense and sound software engineering practice. (Ex. 1003, ¶ 158)

Bennett *Zynga* Report (Ex. 2007)	Bennett IPR Declaration (Ex. 1003)
556. In my opinion, Roy discloses that the client and the server both locally maintain at least a portion of the model (e.g., a portion of the game world model), and execute the view-generating and controller logic associated therewith, as described above regarding claim elements 1A and 1B. I incorporate those explanations here. (Ex. 2007, ¶ 556)	163. I have already explained how, in my opinion, Roy discloses that "the client and the server both locally maintain at least a portion of the model" (e.g., a portion of the application model), and execute the view-generating and controller logic associated therewith, as described above regarding claim elements (a) and (b). I incorporate those explanations here. (Ex. 1003, ¶ 163)
557. I explained in my descriptions of the model, view-generating logic, and controller logic for claim elements 1A and 1B how: (1) both the client and server maintain at least a portion of the model (e.g., a portion of the game world model), (2) the client and server execute the same controller logic (e.g., the client and server execute the same logic to process the same event created by a user command to update their respective local world models and/or to cause their respective screens to be refreshed) and (3) the client and server execute the same view-generating logic (e.g., the client and server computers execute the same view-generating logic when showing a view of the same world to the respective players on each computer). I incorporate those explanations here. (Ex. 2007, ¶ 557)	164. I have also explained how in the model, view-generating logic, and controller logic for claim elements (a) and (b): (1) both the client and server "maintain at least a portion of the model" (e.g., database 68 and database 72), (2) the client and server "execute the view-generating . . . logic" (e.g., rendering commands 69 updating display 70 and rendering commands 73 updating display 74), and (3) the client and server "execute the . . . controller logic" (e.g., event server 65 processing events 63 and event server 67 processing events 64). I incorporate those explanations here. Accordingly, Roy discloses limitation (d). I discuss limitation (e) next. (Ex. 1003, ¶ 164)
563. To start, Roy discloses how client computers may connect to a server to join the online game. For example, Roy discloses "a technique for establishing a connection to a computer system having multi-player game software."[719] This is depicted by Figure 7:  (Ex. 2007, ¶ 563)	311. To start, Roy discloses that client computers may connect to a server to join the session, and the route to the master for that client would not be created until and unless there was a need, i.e., to join the game. For example, Roy discloses "a technique for establishing a connection to a computer system having multi-player game software" as depicted in Figure 7:[216]  (Ex. 1003, ¶ 311)
566. Additionally, Roy discloses that server data (including the model) can be migrated to any client computer on demand: "Regardless of which device has the actual authority to approve of migration of the master event server, the migration process can be initiated by a request or command transmitted over the network by a slave event server. The request or command is a special event known as a 'slave migration event.' The master event server initiates the migration process by sending a 'master migration event'. When a slave event server receives a slave migration event from another slave event server, it adds its identifier to the end of the event message. Hence, the slave migration event gets annotated with the complete path it follows to reach the master event server. The master migration event sent in reply also contains the same path information. Accordingly, interceding slave event servers can correctly route the master migration event to the slave event server that transmitted the slave migration event and update their respective RTM information."[722]	313. Additionally, Roy discloses that server data (including the model) can be migrated to any client computer on demand per a request: Regardless of which device has the actual authority to approve of migration of the master event server, the migration process can be initiated by a request or command transmitted over the network by a slave event server. The request or command is a special event known as a 'slave migration event.' The master event server initiates the migration process by sending a 'master migration event'. When a slave event server receives a slave migration event from another slave event server, it adds its identifier to the end of the event message. Hence, the slave migration event gets annotated with the complete path it follows to reach the master event server. The master migration event sent in reply also contains the same path information. Accordingly, interceding slave event servers can correctly route the master migration event to the slave event server that transmitted the slave migration event and update their respective RTM information.[218]

Bennett *Zynga* Report (Ex. 2007)	Bennett IPR Declaration (Ex. 1003)
 FIG. 9C "FIG. 9C illustrates a routine by which a master event server can determine whether to relinquish its status as master event server. Upon receiving a slave migration event, the master event server identifies the role in the game that is associated with the slave event server that sent the slave migration event (step 941). If that role requires the lowest latency of any role in the game, then it is appropriate to migrate the master event server. Accordingly, the master event server relinquishes its status as master event server (step 943). Otherwise, the master event server retains its status as master (step 944)."[723] (Ex. 2007, ¶ 566)	 FIG. 9C illustrates a routine by which a master event server can determine whether to relinquish its status as master event server. Upon receiving a slave migration event, the master event server identifies the role in the game that is associated with the slave event server that sent the slave migration event (step 941). If that role requires the lowest latency of any role in the game, then it is appropriate to migrate the master event server. Accordingly, the master event server relinquishes its status as master event server (step 943). Otherwise, the master event server retains its status as master (step 944).[220] (Ex. 1003, ¶ 313)
567. In light of the foregoing, it would be understood by or at least rendered obvious to a POSITA that, when a new user joined the online multiplayer game, a slave copy of the database would be transferred to the new user's computer (i.e., at least a subset of the model would be downloaded from the server to the client upon demand). Indeed, *every* client computer obtained a slave copy of the model at some point.[724] Roy also explains that the event server of a new player can "connect[] to another event server that is already part of the game."[725] (Ex. 2007, ¶ 567)	314. In light of the foregoing, it would be understood by or at least rendered obvious to a POSITA that, when a new user joined the session, a slave copy of the database would be transferred to the new user's computer (i.e., at least a subset of the model would be downloaded from the server to the client upon demand).[221] Roy also explains that the event server of a new user can "connect[] to another event server that is already part of the game."[222] (Ex. 1003, ¶ 314)

In short, Carvana is simply having Dr. Bennett sponsor the same unsuccessful invalidity positions that the jury and district court already rejected in the *Zynga* Litigation. Accordingly, if the Board institutes this IPR proceeding, the Board and the parties will be "redoing the work of another tribunal," which supports discretionary denial. *Fintiv* at 13-14. Furthermore, if the Board institutes this IPR proceeding, there is "the possibility of conflicting decisions" between tribunals—since the jury and district court already rejected the same prior art challenge and

expert testimony that Carvana advances in its Petition. This possibility of conflicting decisions also supports discretionary denial. *Fintiv* at 12.

Second, Carvana's Petition re-raises the same Roy-based invalidity issues already raised and rejected in the *Carvana* Litigation. (*See* Ex. 2021.) Likely recognizing the significant overlap, Carvana has offered a *Sotera* stipulation. (Ex. 1015.) But the *Sotera* stipulation does not eliminate the overlap between the Petition and the *Carvana* Litigation at least because Carvana's arguments in the *Carvana* Litigation are more expansive, purport to include combinations of Roy and system prior art (*see, e.g.*, Ex. 2021 at 23, 35-36, 40-41, 49), and Carvana's *Sotera* stipulation "is not likely to moot" such purported combinations. *Motorola Solutions, Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19 at 4 (PTAB Mar. 28, 2025) (Director Review). Accordingly, although Carvana's *Sotera* stipulation "may mitigate some concern of duplication between the [*Carvana* Litigation] and this proceeding" (*id.*), it does not eliminate such concern and certainly "does not outweigh the substantial investment in the district court proceeding or [other] *Fintiv* factors." *Id*. at 4; *see also SAP Am., Inc. v. Cyandia, Inc*., IPR2024-01496, Paper 13 at 9 (PTAB Apr. 7, 2025) ("Accordingly, we do not consider the presence of the *Sotera* stipulation in our case to ensure that inter partes review would be a 'true alternative' to the Litigation."). Thus, Carvana's *Sotera* stipulation should not be dispositive under the circumstances here.

In sum, a significant overlap exists between the validity issues in the Petition and those in both the concluded *Zynga* Litigation and the pending *Carvana* Litigation. There also is a risk that the *Sotera* stipulation "is not likely to moot" those issues. Accordingly, factor 4 strongly favors discretionary denial.

5. Factor 5 favors denial of institution because the petitioner in this IPR and the defendant in the pending litigation are the same party—Carvana—and Carvana rehashes Zynga's positions from the concluded litigation

Factor 5 concerns "whether the petitioner and the defendant in the parallel proceeding are the same party." *Fintiv* at 13.

In the pending *Carvana* Litigation, the parties are indeed the same—Carvana is both the petitioner in this IPR and the counterclaim defendant in that pending litigation. (Ex. 2014.) Accordingly, the *Carvana* Litigation favors discretionary denial under factor 5. *See, e.g.*, *10x Genomics* at 20 ("Here, Petitioner and the counterclaim-defendant are the same parties in the parallel proceeding and that proceeding is expected to reach trial before we would reach a Final Written Decision in this case, which therefore weighs in favor of exercising our discretion.").

In addition, although Carvana was not a party in the *Zynga* Litigation, Carvana's Petition advances the same invalidity arguments that were already unsuccessfully litigated in the *Zynga* Litigation, as described above. (*Compare* Ex. 1003 *with* Ex. 2007, *supra* Section III.B.4; *see also* Sections II.A, II.B, III.B.5; Ex. 2009; Ex. 2010.) Indeed, Carvana affirmatively created a relationship to the *Zynga*

Litigation—and now seeks to relitigate Zynga's already-litigated arguments—by copying Zynga's Roy-based invalidity positions and Dr. Bennett-based testimony. Accordingly, the *Zynga* Litigation, too, favors discretionary denial under factor 5. *See Fintiv* at 13-14 ("Even when a petitioner is unrelated to a defendant, however, if the issues are the same as, or substantially similar to, those already or about to be litigated, or other circumstances weigh against redoing the work of another tribunal, the Board may, nonetheless, exercise the authority to deny institution."); *see also, e.g.*, *Mylan* at 23 ("We therefore conclude that, because the Petitioner is the same as the defendant in the *Mylan* litigation, and because the issues in both the *Teva* and *Mylan* litigations are substantially the same as those raised in the Petition, *Fintiv* factor #5 favors denial"); *Fitbit* at 15-16 (finding that "the similarities in the invalidity contentions and claim construction positions of the litigations strongly indicate that *Fitbit* and *Garmin* are coordinating their litigation efforts" and that "[a]ccordingly, the fifth *Fintiv* factor weighs in favor of invoking our discretion to deny institution").

6. Factor 6 strongly favors denial of institution because the Petition lacks merit and is outweighed by the principles of efficiency and economy

Factor 6 concerns "other circumstances that impact the Board's exercise of discretion, including the merits." *Fintiv* at 14; *see also* Guidance Memo at 3 ("[A]s stated in *Fintiv*, the factors considered in the exercise of discretion are part of a

balanced assessment of all the relevant circumstances in the case, including the strength of the merits. However, compelling merits alone is not dispositive in making the assessment.").

Here, Factor 6 strongly favors discretionary denial because the merits of the Petition are weak and heavily outweighed by the principles of efficiency and economy. The '719 Patent is directed to addressing ***server-to-client*** interaction problems between a ***server*** and a client in a traditional "client/***server***" system, and its claims accordingly contain limitations specific to a "server" and limitations specific to a "client." (*See, e.g.*, Ex. 1001 at 1:9-13, Claim 1.) By contrast, Roy—Carvana's sole reference with respect to the independent claims and a necessary reference for its combinations for all claims—purports to address ***client-to-client*** interaction problems between the "client computer systems" in a "multi-player game." (*See* Ex. 1004 at Fig. 1, 1:59-62, 3:48-56.) As a result, Roy fails to disclose numerous claim limitations for the "server" element of the claimed "client/server system." (*See, e.g.*, Ex. 1001 at claims 1, 13, 25, 26.)

For example, Roy fails to disclose the limitation "configuring the ***server*** to … execute view-generating … logic associated with the application," which every independent claim requires. (*See* Ex. 1001 at claims 1, 13, 25, 26.) Carvana purports to map the claimed "view-generating" logic to Roy's disclosed "rendering commands" (*see, e.g.*, Pet., 16-17, 34-35); however, the rendering commands

identified by Carvana are only disclosed to be executed on the ***client*** (the player systems), not the server. (*See* Ex. 1004 at Fig. 5A, 5:17-36.) Carvana fails to identify any "server" component disclosed by Roy that meets the claim limitations—a fatal deficiency.

Carvana appears to recognize that fatal deficiency and attempts to map this "server" limitation to a "client" player computer system by alleging that what Roy describes as a "client" computer system (*see, e.g.*, Ex. 1004 at 3:48-54, 4:19-29) operates as a "server." (*See* Pet. 16, 32.) But that argument is contrary to Roy, which expressly distinguishes such "client" computer systems from a "server." (*See, e.g.*, Ex. 1004 at 3:48-54 (distinguishing between a "central ***server*** computer" and a number of "***client*** computer systems"), 3:57-59 (same), 4:19-29 (distinguishing between a "central ***server***" and "***[c]lient*** computer systems"), claim 53 (distinguishing between a "***server*** computer" element and "***client*** computers" elements).) In any event, Dr. Bennett already proffered this exact argument in the *Zynga* Litigation, and the district court and jury rejected it in upholding the validity of the '719 Patent. (*Compare* Ex. 1003 *with* Ex. 2007, *supra* Section III.B.4. *See also* Sections II.A, II.B; Ex. 2009; Ex. 2010.)

As another example, Roy fails to disclose the limitation "wherein the client and the server both locally maintain at least a portion of the model and execute the view-generating and controller logic associated therewith," which every

independent claim also requires. (*See* Ex. 1001 at claims 1, 13, 25, 26.) Carvana again fails to even address Roy's expressly labeled "server" component with respect to this limitation, and relatedly fails to identify any such "server" component disclosed by Roy—or logic maintained and executed by such "server" component—that meets the claim limitations. (*See, e.g.*, Pet., 43 (containing no discussion of Roy's expressly labeled "server" component).)

This fatal deficiency is unsurprising, as Roy nowhere discloses that the same logic—whether "view-generating" or "controller"—is executed on both the disclosed "server" computer system and the disclosed "client" computer systems. To the contrary, Roy teaches that different logic would be executed even between the individual "clients" (one of which is mapped to the claimed "server"), as different players have different interactions with the game world. (*See, e.g.*, Ex. 1004 at 3:24-35 ("[T]he ***player on offense [i.e., one client]*** might be responsible for movement of the players, including the speed and direction of various players, while the player on defense ***[i.e., another client]*** might be responsible only for selecting a predefined defensive pattern."), 3:35-47 ("[O]ne player acting as a 'superhero' ***[i.e., one client]*** may participate on a very active level, while various parameters of the game might be determined at a high level by one or a small number of players ***[i.e., another client]*** who participate only in a peripheral manner (e.g., by setting game conditions, selecting obstacles for the superhero to overcome, etc.).").) Indeed, Roy

contemplates that different players will require different levels of latency—i.e., as a result of the different logic being executed in response to the players' different interactions. (*See* Ex. 1004 at 5:65-6:14 ("According to the present invention, a determination is made of which computer system participating in the game is used by the player having the role which requires the least latency.").) And in any event, Dr. Bennett already proffered this exact argument in the *Zynga* Litigation, and the district court and jury rejected it in upholding the validity of the '719 Patent. (*Compare* Ex. 1003 *with* Ex. 2007, *supra* Section III.B.4; *see also* Sections II.A, II.B, III.B.5; Ex. 2009; Ex. 2010.)

Accordingly, there is no reasonable likelihood that Carvana would prevail with respect to any of the independent claims, let alone the dependent claims, challenged in the Petition. IBM's Patent Owner Preliminary Response will set forth in greater detail the reasons why the Petition is deficient and without merit. *See* Guidance Memo at 2 (explaining that "the merits briefing schedule … remain unchanged"). Especially in light of the substantial overlap with parallel proceedings and the significant progress already made in the parallel proceedings, the principles of efficiency and economy outweigh the weak merits of the Petition. Therefore, factor 6 therefore strongly favors discretionary denial.

As summarized below, all six *Fintiv* factors favor discretionary denial. A holistic assessment of all *Fintiv* factors therefore favors discretionary denial.

Summary Of *Fintiv* Factors

Factor 1	Slightly favors (or is neutral toward) discretionary denial
Factor 2	Strongly favors discretionary denial
Factor 3	Favors discretionary denial
Factor 4	Strongly favors discretionary denial
Factor 5	Favors discretionary denial
Factor 6	Strongly favors discretionary denial

C. Additional Considerations Favor Denial Of Institution

The additional considerations identified in the Board's March 26, 2025 Interim Processes Memo further support exercising discretion to deny institution of Carvana's Petition.

1. The consideration of whether the PTAB or another forum has already adjudicated the validity or patentability of the challenged claims strongly favors denial of institution

This consideration strongly favors discretionary denial because another forum has already upheld the validity of the '719 patent and, indeed, rejected the same Roy-based invalidity allegations and the same Dr. Bennett testimony that Carvana seeks to rehash in its Petition. As discussed above, in the *Zynga* Litigation, Zynga extensively litigated the issue of whether Roy invalidated the '719 patent, including based on the expert testimony of Dr. Bennett. (*See, e.g.*, Ex. 2006; Ex. 2007; Ex. 2008. *See also* Sections II.A, II.B, III.B.4, III.B.5.) Both the jury and the district court found in favor of IBM, upheld the validity of the '719 patent, and rejected

Zynga's and Dr. Bennett's Roy-based invalidity allegations. (Ex. 2009; Ex. 2010.) Accordingly, this consideration strongly favors denial of institution.[12]

2. The consideration of the strength of the unpatentability challenge strongly favors denial of institution

This consideration strongly favors denial of institution because Carvana's unpatentability challenge is substantively weak, as confirmed by the fact that a jury and district court have already rejected this same challenge based on this same reference (Roy) and same expert testimony (Dr. Bennett). As discussed above for *Fintiv* Factor 6, whereas the '719 patent claims are directed to a ***server***-to-client interaction, the Roy reference instead is directed to a ***client***-to-client interaction that Carvana is attempting to shoehorn into the claims. (*See* Section III.B.6.) That same attempt was already adjudicated and rejected in the *Zynga* Litigation. (*See* Exs.

[12] The fact that the jury verdict and final judgment in the *Zynga* litigation involved only claim 1 is immaterial. If Roy does not invalidate claim 1, it cannot invalidate the narrower claims that depend on claim 1. Furthermore, Carvana's own Petition takes the position that all four independent claims (i.e., claims 1, 13, 25, and 26) contain substantially similar limitations and even presents a combined, common analysis that purports to cover all four claims. (*See, e.g.*, Pet., vii-x & 30-44 (presenting a single combined analysis for all four independent claims).)

2005-2010; *see also* Sections II.A, II.B, III.B.4.) Accordingly, this consideration strongly favors denial of institution.

3. The consideration of the extent of the petition's reliance on expert testimony strongly favors denial of institution

This consideration strongly favors denial of institution for numerous reasons. *First*, the Petition extensively relies on Dr. Bennett's 121-page declaration. (Ex. 1003.) Indeed, the Petition cites Dr. Bennett's declaration over 250 times. (*See generally*, Pet.)

Second, the Petition relies on Dr. Bennett's declaration not just for its purported analysis of Roy but also in an attempt to backfill limitations for which even Dr. Bennett fails to identify disclosure by Roy. (*See, e.g.*, Pet., 40, 43). Indeed, the Petition relies heavily on Dr. Bennett's declaration to backfill teachings not present in Roy. For example, Roy nowhere teaches that "view-generating logic" is the same for each computer system in the system—especially between the labeled "server" and "client" (Ex. 1004 at 3:48-54, 3:57-59, 4:19-29, claim 53). The Petition attempts to gloss over that deficiency of Roy using conclusory statements from Dr. Bennett claiming that "a POSITA would understand that Roy's view-generating logic would inherently be the same on each computer." (Pet., 40 (citing no disclosure from Roy regarding how the "view-generating logic" on the server compares to the "view-generating logic" on the client); Ex. 1003, ¶¶ 154-155 (same).) But as IBM will explain in its forthcoming POPR, nothing in Roy suggests

that the view-generating logic would be the same on each computer, and a person of ordinary skill in the art would not have understood Roy to inherently teach using the same view-generating logic on each computer.

Third and perhaps most critically, the Petition not only extensively relies on expert testimony, but relies on the same testimony from the same expert on the same issues that the jury and district court already adjudicated and rejected in the *Zynga* Litigation. As discussed above, Dr. Bennett's IPR declaration simply rehashes the same Roy-based invalidity allegations of Dr. Bennett's Zynga invalidity report. (*Compare* Ex. 1003 *with* Ex. 2007, *supra* Section III.B.4*; see also* Sections II.A, II.B.) Accordingly, this consideration strongly favors denial of institution.

4. The consideration of settled expectations of the parties, such as the length of time the claims have been in force strongly favors denial of institution

This consideration strongly favors denial of institution because the '719 Patent already expired in 2022. (*See* Ex. 1001, cover ("Filed: Feb. 8, 2020"; "Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. § 154(b) by 883 days").) It would be a waste of the Board's resources to institute an IPR trial to adjudicate claims that have already expired.

IV. CONCLUSION

Carvana's eleventh-hour Petition—which Carvana inexcusably delayed filing until well past the close of fact discovery and the district court's *Markman* hearing

in the pending *Carvana* Litigation—rehashes the same invalidity issues already adjudicated and rejected in the concluded *Zynga* Litigation and already raised in the *Carvana* Litigation. Carvana's Petition represents the textbook case for exercising discretionary denial under § 314(a) and *Fintiv*. For the foregoing reasons, Patent Owner IBM respectfully requests that the Board exercise its discretion to deny institution of the Petition.

Dated: May 6, 2025

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CERTIFICATION UNDER 37 C.F.R. § 42.24(d)

I hereby certify that this Brief Requesting Discretionary Denial, excluding the portions exempted under 37 C.F.R. § 42.24(a), has 8,421 words as counted by the word-processing system used to prepare this document, in compliance with 37 C.F.R. §42.24(d).

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Case IPR2025-00564
U.S. Patent No. 7,702,719

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), the undersigned certifies that a complete copy of the foregoing Brief Requesting Discretionary Denial and corresponding exhibits was caused to be served on counsel of record for Petitioner by filing this document through PTACTS and by sending this document via electronic mail to the following addresses:

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