

**UNITED STATES PATENT AND TRADEMARK OFFICE**

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**BEFORE THE PATENT TRIAL AND APPEAL BOARD**

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DataDome S.A. and DataDome Solutions, Inc.,  
Petitioner,

v.

Arkose Labs Holdings, Inc.,  
Patent Owner.

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Case No. IPR2025-00693  
U.S. Patent No. 7,373,510

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**OPPOSITION TO PATENT OWNER'S  
DISCRETIONARY DENIAL BRIEF**

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| 1002           | Prosecution History of U.S. Patent No. 7,373,510                                   |
| 1003           | Declaration of Dr. Daniel Lopresti                                                 |
| 1004           | U.S. Patent No. 8,527,337 (“Lim”)                                                  |
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| 1007           | Lim Provisional Application No. 60/201,539                                         |
| 1008           | U.S. Patent No. 6,195,698 (“Lillibridge”)                                          |
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| 1015           | 12/1/2023 DataDome Letter                                                          |
| 1016           | 2/23/2024 DataDome Letter                                                          |
| 1017           | 5/8/2024 Motion to Dismiss                                                         |
| 1018           | 7/8/2025 Opinion on Motion to Dismiss                                              |
| 1019           | District of Delaware Stay Pending PTAB Statistics                                  |

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| Exhibit | Description                                |
|---------|--------------------------------------------|
| 1020    | Judge Andrews Stay Pending PTAB Statistics |
| 1021    | Challenged Patent Assignment               |
| 1022    | DataDome Solutions Summons                 |

## **I. INTRODUCTION**

This is precisely the sort of *inter partes* review that should be instituted. Arkose Labs Holdings, Inc. (“Arkose” or “Patent Owner”) has inundated DataDome S.A. and DataDome Solutions, Inc. (“DataDome” or “Petitioner”) with a series of baseless allegations of patents it acquired a few years ago. U.S. Patent No. 7,373,510 (“the ’510 Patent”) issued in 2008 within a family of patents filed by IBM relating to a method of performing a CAPTCHA, which are tests websites give to confirm users are not robots.<sup>1</sup> Every user of the web is no doubt familiar with having to prove their humanity—for decades now—by completing various tasks that are allegedly simple for humans but deviously tricky for our robot friends. Despite filing this patent family in 2001, IBM never filed suit on the ’510 Patent or any of related family members. Instead, IBM apparently transferred these patents to Arkose in 2021, a point at which the entire family would have

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<sup>1</sup> DataDome also currently challenges U.S. Patent No. 9,148,427 (“the ’427 Patent”), which is the continuation child of the ’510 Patent, in co-pending IPR2025-00694. The content of the present brief is largely the same as that of the simultaneously filed IPR2025-00694 brief, with the exception of some technical details of the claims and the prior art at issue for *Fintiv* factor 6 and the § 325(d) analysis.

naturally expired, but for various PTA extensions.

Soon after acquiring these and other patents—which IBM never asserted—Arkose began accusing DataDome of infringement. Over the course of the parties' discussions, DataDome pointed out the flaws in Arkose's allegations and Arkose withdrew many of its allegations in response. Eventually, however, Arkose initiated a litigation that included the assertion of the '510 Patent. But that co-pending litigation still has not advanced past the pleading stage and the Court has not substantively addressed the '510 Patent.

Frankly, from DataDome's perspective, all of Arkose's allegations were, and remain, misguided. Given Arkose's frequent withdrawals of its claims, which included the assertion and subsequent withdrawal of *a patent in the family of the presently challenged patent*, the scope and nature of the patent assertions Arkose fluctuated until Arkose filed suit.

After Arkose sued DataDome in the District of Delaware, alleging infringement of six patents, DataDome carefully examined them, and sought relief from the PTAB on only two of them, the '510 Patent and a related patent. Rather than unnecessarily expending the PTAB's resources on six separate proceedings, DataDome moved to invalidate the claims of the other four asserted patents for being patent ineligible under 35 U.S.C. § 101 in the district court. On July 8, 2025, the district court granted DataDome's motion and invalidated those four patents.

DataDome's careful planning to judiciously expend no more public resources than necessary has not caused any delay. Apart from papers involving DataDome's motion to dismiss, no effort has been expended in the district court. No scheduling order is in place, no trial date has been set, no contentions have been served, the complaint has not been answered, and no claim construction, discovery, or document productions have occurred. Seeing that a scheduling conference has not even occurred, Arkose's attempt to take advantage of the fact that DataDome has yet to file a motion to stay falls flat. In truth, when DataDome moves to stay the litigation post-institution, the District of Delaware statistics and case law suggest that motion will be granted, thereby further preserving judicial and party resources.

While the challenged patent is admittedly old, the settled expectations were that the '510 Patent would never be asserted in district court, since IBM never did so. When Arkose did surprisingly file suit, DataDome timely filed the present IPR. Contentions have not been served in the district court litigation and DataDome still has no idea which claims Arkose intends to assert in it. As further explained below, *Fintiv*, the rationale behind the statutory one-year bar, and recent Director authority all make clear that DataDome was expeditious, reasonable, diligent, and timely in filing the present IPR petition and it should not be denied on *Fintiv* grounds.

Arkose's further § 325 argument simply ignores the Petition, which presents new art and grounds never considered by the Office. As explained in the Petition, the new Lim and Guthrie references squarely teach the one claim limitation the examiner found that the of-record Lillibridge reference did not teach during prosecution. The fact that the Petition uses Lillibridge to explain which elements of the claims were not contested by the applicant during prosecution is not a weakness. It simply focuses the dispute on the features the applicant claimed were novel and shows how those features are rendered obvious by Lim and Guthrie, which were not before the Office. Yet Arkose willfully ignores the Lim and Guthrie references and trumpets the Lillibridge reference, which is only ever used in this Petition in combination with both Lim and Guthrie to buttress their teachings regarding a limited number of dependent claims. In other words, Arkose's § 325 challenge ignores the actual content of the grounds presented and should be rejected accordingly.

The merits of DataDome's Petition are strong, and tellingly Arkose does not identify a single alleged flaw in them or point out any supposed inventive aspects of its patent. The merits should be considered by the PTAB, which will be the first forum to weigh in on them.

## **II. BACKGROUND**

### **A. Arkose Has Harassed DataDome with Meritless Claims for Years, Withdrawing Assertions as Quickly as it Makes Them**

Since October 2022, Arkose has inundated DataDome with a series of meritless patent infringement allegations.

Each time, DataDome has responded and explained why Arkose's claims are frivolous. And, each time, Arkose has backed down before returning with new, equally frivolous claims, relating to different patents. *See* Ex. 2005, 10/6/2022 Arkose Letter (alleging infringement of U.S. Patent No. 9,146,917 ("the '917 Patent")); Ex. 1013, 1/11/2023 DataDome Letter (explaining why the '917 Patent is invalid and not infringed); Ex. 2006, 3/1/2023 Arkose Letter (alleging infringement of the '917 Patent and U.S. Patent No. 9,558,340 ("the '340 Patent") and merely bringing "attention" to U.S. Patent No. 9,148,427 ("the '427 Patent"); Ex. 1014, 8/8/2023 Arkose Letter (merely "drawing attention" to the '510 Patent), 10,147,049 ("the '049 Patent"), 11,227,232 ("the '232 Patent"), and 10,938,845 ("the '845 Patent"); Ex. 1015, 12/1/2023 DataDome Letter (explaining why the '917 and '340 Patents are not infringed).

Importantly, Arkose never even alleged infringement of the '510 Patent in its letter writing campaign, merely bringing it to DataDome's "attention."

Meanwhile, Arkose capitulated on its meritless allegations related to the '917,

'340, and '845 Patents without filing suit. The '340 Patent is related to and a continuation grandchild of the '510 Patent.<sup>2</sup> Arkose's dropping of its allegations regarding the '340 Patent and its mealy-mouthed bringing of "attention" to the '510 Patent, thus, demonstrated a lack of seriousness in Arkose's letter writing about this patent family. A serious patent owner would have actually alleged infringement of a patent it intended to assert.

### **B. The Co-Pending Litigation**

While nothing material changed about DataDome's accused CAPTCHA, Arkose's latest allegations only appeared when Arkose filed suit in the District of Delaware. *See* Ex. 2003, District Court Complaint. The complaint asserted six patents, four of which had been listed in the letters discussed above – the '427, '510, '049, and '232 Patents – and two of which that had not been – the U.S. Patent Nos. 10,082,954 ("the '954 Patent") and 10,599,330 ("the '330 Patent"). *Id*

The claims Arkose asserted in Delaware were no better than the allegations in Arkose's previous letters, and DataDome again explained why the claims in Arkose's complaint are frivolous. *See* Ex. 1016, 2/23/2024 DataDome Letter

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<sup>2</sup> The simultaneously challenged '427 Patent is the continuation child of the '510 Patent and the continuation parent of the '340 Patent. As discussed above, Arkose also merely drew "attention" to the '427 Patent in its letters.

(explaining why the asserted patents are invalid and not infringed and that Arkose lacked a Rule 11 basis for its suit).

When Arkose refused to withdraw its frivolous allegations, DataDome promptly filed a motion to dismiss them on May 8, 2024, arguing that the claims of the '954, '330, '049, and '232 patents are patent ineligible under 35 U.S.C. § 101. *See* Ex. 1017, Motion to Dismiss. The District Court granted that motion on July 8, 2025, ruling that all of the claims of these patents are patent ineligible. *See* Ex. 1018, Opinion on Motion to Dismiss.

Apart from this motion to dismiss, there has been no activity in the Delaware case. DataDome has not answered the complaint. The case has not had a scheduling conference and there is no case schedule in place for any contentions, hearings, pre-trial events, or trial. Apart from ruling on DataDome's motion to dismiss, the Court has not otherwise invested in the litigation.

There also has been no discovery of any kind in the Delaware district court case. No documents have been produced, and no claim construction, depositions, fact discovery, or expert discovery has occurred.

### **C. The *Inter Partes* Review Petitions**

DataDome filed and served *inter partes* review petitions challenging the '510 Patent in this proceeding and its related '427 Patent in IPR2025-00694 on March 14, 2025. *See* Paper 1. Both petitions were accorded filing dates on April

15, 2025. *See* Paper 5.

Thus, institution decisions are expected on October 15, 2025, and, if instituted, the expected date for final written decisions is October 15, 2026.

### **III. DISCRETIONARY DENIAL IS NOT WARRANTED HERE**

Arkose articulates no compelling reason why the Director should exercise discretionary denial in this IPR. To the contrary, every single *Fintiv* factor weighs against denial under 35 U.S.C. § 314 here. Further, a brief review of the Petition shows that it does not raise and 35 U.S.C. § 325(d) concerns, as it primarily relies on the Lim reference, which was not before the examiner during prosecution, in order to expressly address the sole claim limitation that the examiner found was not disclosed by the of-record art.

#### **A. The *Fintiv* Factors Weigh Against Discretionary Denial**

As discussed in detail below, all six *Fintiv* factors weigh against denial, with Factors 2, 3, and 6 strongly weighing against denial.

##### **1. Factor 1: Evidence Exists That a Stay May be Granted if a Proceeding is Instituted**

This factor weighs against denial.

Neither party has yet moved to stay the district court case, but DataDome intends to move for a stay after this IPR is instituted. It is likely that motion to stay will be granted. Since 2019 (the starting point Arkose uses for its median time-to-

trial statistics in Ex. 2002), Judges in the District of Delaware have granted stays pending PTAB review 70% of the time. Ex. 1019. For Judge Andrews, the judge presiding over the co-pending litigation, the grant rate is even higher, at 80%. Ex. 1020. Because these statistics include pre-institution motions, the post-institution grant rates will be even higher.

Trying to have its cake and eat it too, Arkose ignores these data points and instead criticizes DataDome for not having moved to stay pre-institution, while simultaneously highlighting the fact that the District of Delaware “seldom grants pre-institution stays.” Paper No. 8, Patent Owner’s Discretionary Denial Brief (“Brief”) at 4. But that is exactly the point. Just as it has not burdened the PTAB with unnecessary IPR petitions, DataDome has not wasted district court and party resources by filing a motion the court likely would not have granted, especially considering the fact that the case is still pre-answer. Post-institution, DataDome will move, and the data shows that motion likely will be granted.

DataDome’s motion will request to stay the case as to at least the two patents it has filed IPR petitions on. And given that the District Court has recently granted DataDome’s motion to dismiss, ruling the other four patents unpatentable under 35 U.S.C. § 101, they cannot weight against granting a stay. Arkose’s comment that these four patents “must be adjudicated regardless of the IPR” has thus already been resolved by DataDome’s motion to dismiss and should be

disregarded. Brief at 4. Regarding Arkose’s non-patent claims, Arkose provides no reason why that adjudication could not either wait until after the IPRs are resolved or be resolved simultaneously with IPRs. Indeed, since the other claims do not relate to patents and are not the subject of the Board’s activities, a partial stay would be quite efficient.

The cases Arkose cites in arguing to the contrary do not support its position because stays were denied in those cases for reasons that are not relevant here. In *TwinStrand*, the Court found the simplification of issues factor, the factor Arkose’s arguments are premised on, neutral. *TwinStrand Biosciences, Inc. v. Guardant Health, Inc.*, No. CV 21-1126-GBW, 2023 WL 2563179, at \*2 (D. Del. Mar. 17, 2023). The motion to stay was denied due to the status of the litigation, as the moving party admitted all had “expended real resources in the case.” *Id.* at \*3-4. That situation does not apply here.

The situation in *CAO Lighting* is similarly inapposite. There again, the court considered the simplification of issues factor neutral, denying the motion to stay because the movant had filed copycat IPR petitions following on the work of others, and the court cases were “advanced actions” in which “[a]ll discovery (including depositions, fact and expert discovery) is complete.” *CAO Lighting, Inc. v. Gen. Elec. Co.*, No. CV 20-681-GBW, 2022 WL 17752270, at \*2 (D. Del. Dec. 19, 2022).

As the *CAO Lighting* court noted, the “status of the litigation” factor “has been critical to the stay calculus.” Here, the litigation is indisputably at the outset, as discussed in more detail below regarding *Fintiv* Factors 2 and 3. As *Fintiv* itself recognized: the “proximity of the court’s trial date and investment of time are relevant to how much weight to give to the court’s willingness to reconsider a stay.” *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) at 7.

Because the evidence suggests it is strongly likely that a stay will be granted when requested at the appropriate time, this factor supports institution.

**2. Factor 2: No Court Trial Date Has Been Set, and Any Trial Date Would Fall After the Board’s Final Written Decision**

This factor weighs strongly against denial.

There is no case schedule entered in the District of Delaware action, and no trial date has been set. Assuming for the sake of argument Arkose survives DataDome’s IPR petitions and a trial date is set, that trial date will be after the October 15, 2026 projected final written decision date for these IPRs. These IPRs will be done only 15 months from now, which is simply not enough time for any patent litigation to go all the way from answering the complaint to trial.

Because the particularized facts of this case dispositively weigh against denial, Arkose relies entirely on Delaware median time-to-trial statistics. But even

if Arkose's own median statistics applied here, they do not indicate that there would be a trial before the final written decision in this IPR. For one thing, they indicate that the time-to-trial could be as many as 2,068 days from filing, which is over 5 years. Ex. 2002. That timeframe is not unrealistic for a case like this one, where nearly two years have already passed since the complaint was filed but it is yet to have been answered, and a stay after this IPR is instituted is likely. Even if the upper bound of the "median" number of days in Arkose's statistics, 1,284 days from filing, were to somehow occur, that date would be July 3, 2027, which is still well after the projected final written decision date of October 15, 2026. *Id.*

Thus, not only do the facts of this case strongly weigh against denial, Arkose's own median statistics do the same.

**3. Factor 3: There Has Been Essentially No Investment in the Parallel Proceeding by the Court and the Parties**

This factor weighs strongly against denial.

As Arkose acknowledges, the only investment in the litigation by the parties in the Delaware litigation relates to DataDome's motion to dismiss.

DataDome has not answered the complaint, and none of the following case events have occurred: a scheduling conference, claim construction proceedings, the service of contentions, document production, fact discovery, expert discovery, or anything else.

As two examples, the *Fintiv* panel noted that if “the district court has not issued orders related to the patent at issue in the petition, this fact weighs against exercising discretion to deny institution,” while “district court claim construction orders may indicate that the court and parties have invested sufficient time in the parallel proceeding to favor denial.” *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) at 9-10.

Here, the district court has not made a single substantive ruling on the challenged patent, and so obviously has not issued a claim construction order. This factor thus weighs against discretionary denial for either of these reasons alone.

**4. Factor 4: There is No Evidence of Overlap Between Issues Raised in the Petition and in the Parallel Proceeding**

This factor weighs against denial.

As discussed above, under all realistic timeframes for the District of Delaware litigation, the Board would issue a final written decision in this IPR well before any potential, currently unscheduled trial date. Thus, the estoppel arising from the final written decision will ensure that the grounds addressed in the IPR will differ from any grounds of invalidity of the challenged patent that may ultimately be presented during trial.

Arkose’s unsupported claim that there is a “complete overlap” between invalidity issues in the District of Delaware litigation and this IPR is belied for at

least that reason. Brief at 7. It is also entirely speculative. Because DataDome has not yet even answered the complaint in the district court, much less served invalidity contentions, it is premature to guess as to how much overlap there may or may not be. Indeed, Arkose acknowledges in the same paragraph that “Petitioners remain free to advance...additional grounds not raised here—in district court.” *Id.* For example, DataDome may pursue system art invalidity grounds in district court, which cannot be raised in IPRs, and so would not present any overlap. Because the district court action has not meaningfully begun, Arkose has no evidence of overlap.

It is also significant that, as of yet, Arkose’s district court infringement allegations are entirely those in the complaint, where the only ’510 Patent claim argues infringement of is claim 1. Ex. 2003, District Court Complaint at 15-17.<sup>3</sup> Thus, as of now, it is unknown what claims additional claims Arkose may seek to assert in the litigation. Only Arkose knows what those claims might be at this point. If Arkose was serious about limiting the potential for overlapping issues, it would agree to assert only the claims identified in the complaint so that the others can be more efficiently evaluated by the PTAB.

Dodging its own conduct, Arkose criticizes DataDome for not filing a *Sotera*

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<sup>3</sup> Claim 20 is also mentioned once in passing, but Arkose does not attempt to set forth any evidence of alleged infringement of it. *Id.*

stipulation. But there is no obligation to do so. And in situations like this, where the district court complaint has not even been answered, the patent owner has not fully described its infringement allegations, and there is no case schedule, it would have been inefficient to file one. Again, if Arkose was truly interested in simplifying the issues, it would limit the claims it asserts in district court, or at least agree to stay the district court litigation until the PTAB rules on validity.

**5. Factor 5: Because the PTAB Will Rule Before the District Court, the Same Party Factor Weighs Against Denial**

This factor weighs against denial.

DataDome and Arkose are the parties in both the district court litigation and this IPR. Because, as discussed for *Fintiv* Factor 1, under all realistic timelines here, the Board will issue a final written decision before any possible district court trial, this factor weighs against discretionary denial. *See BMW of N. Am., LLC v. Mich. Motor Techs. LLC*, IPR2023-01234, Paper 11, 14-15 (Jan. 26, 2024) (collecting cases, explaining when a final written decision “is likely to issue before the district court trial,” the Board has “weigh[ed] this factor against exercising discretion”); *see also NVIDIA Corp. v. Invensas Corp.*, IPR2020-00603, Paper 11, at 23 (Sept. 3, 2020) (this factor weighs against discretionary denial even where decisions are expected “around the same time”).

**6. Factor 6: Other Circumstances, Including the Merits, Weigh Against the Board's Exercise of Discretion**

This factor weighs strongly against denial.

**Arkose Does Not Identify a Single Alleged Flaw on the Merits.** The substantive merits of this IPR's Petition are strong. As explained in detail in the Petition, the '510 Patent describes and claims a generic process for distinguishing whether an unknown website visitor is a human or a bot using a challenge question or quiz, plus the well-known security concept of applying a lockout timer to a user after a failed challenge. *See* Petition at 1.

The problem of distinguishing between humans and bots had already been solved by what we now call CAPTCHAs, as described in prior art references like Lillibridge. *Id.* at 1, 19-22 (depicting Lillibridge, Fig. 4):

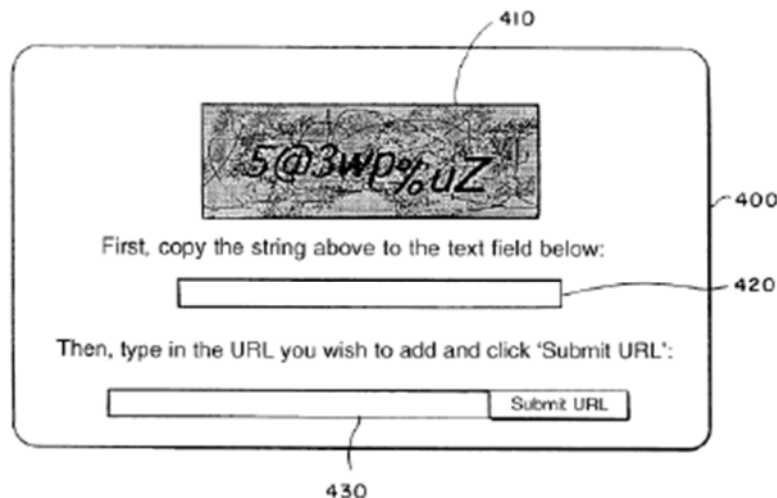


FIG. 4

The originally drafted claims recited nothing more than a standard CAPTCHA challenge like Lillibridge's. *See* Petition at 17-18. Faced with Lillibridge during prosecution, Patent Owner rewrote dependent claims the examiner had found allowable, which recited a generic lockout timer system, in independent form. *Id.* This generic lockout timer system is embodied in, for example, Fig. 4 of the '510 Patent. *Id.*; Ex. 1004, Fig. 4:

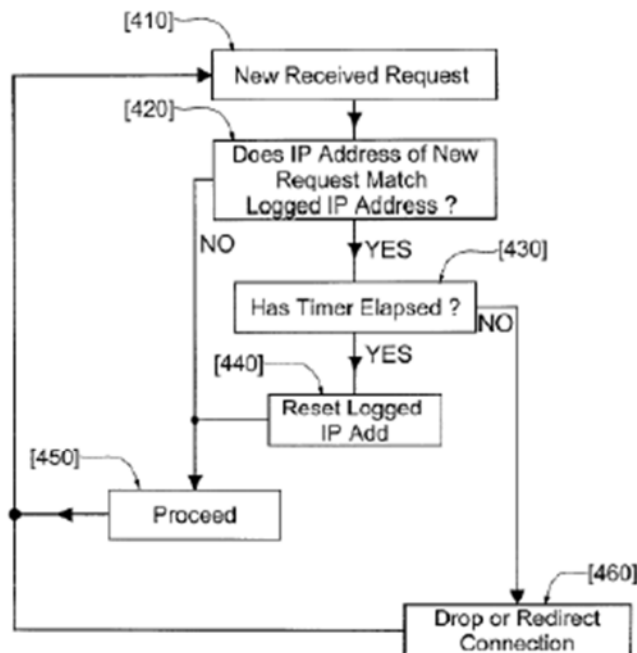
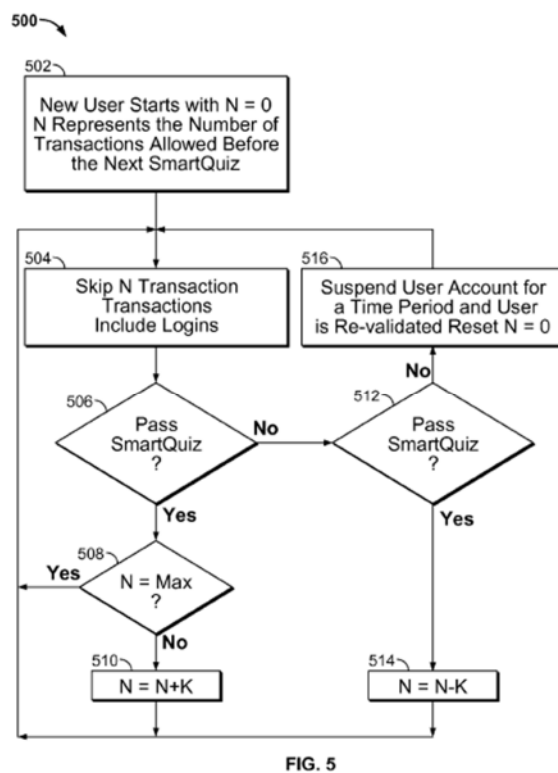


Figure 4

This additional recitation of a conventional lockout timer was the sole alleged point of novelty over Lillibridge. Petition at 17-18. The claims were

allowed over Lillibridge because it does not disclose the use of a lockout timer.

Lim, however, expands on Lillibridge's teachings regarding CAPTCHAs and teaches, among other things, more advanced CAPTCHAs like those using a plurality of graphical forms. *See* Petition at 1-2, 22-24. Lim also teaches the use of a conventional lockout timer that suspends users for a time period after they fail a challenge alongside its challenges. *See id.* (depicting Lim, Fig. 5):



As shown in step 516, if a user fails a quiz, Lim teaches suspending their account for a “time period” (516). *Id.*; *see also* Ex. 1004 (Lim), 14:65-15:2; Fig. 5. This is functionally no different than the lockout timer disclosed in the ’510 Patent’s preferred embodiment.

The Guthrie reference complements Lim by describing lockout timers and account suspension procedures in additional detail. *See* Petition at 2, 25-28. For example, Guthrie explains how lockout both can be used in Internet security procedures to effectively prevent bots from accessing a server, while still allowing legitimate human users to access the server after the lockout timer expires, without banning them forever due to a potentially honest error. *Id.*

In view of this history, the Petition alleges that the combination of Lim and Guthrie discloses and/or renders obvious most of '510 Patent claims, including all independent claims. *See* Petition at 32-66. The Petition refers to other references (including Lillibridge) only for a few dependent claims as evidence of their obviousness. *Id.*

Arkose does not address any of the merits articulated in the Petition or identify a single alleged flaw in them. Arkose claims it “will explain” some unstated weakness at a later date, but its failure to identify even a single purported issue is a tacit admission that the art identified in the Petition invalidates all challenged claims.

**Settled Expectations.** The history and circumstances of this dispute make clear that the settled expectations were that the '510 Patent would not be asserted, such that it would not have needed to be challenged in an IPR.

The '510 Patent issued in 2008 and was prosecuted by and originally

assigned to IBM. *See* Ex. 1001. From 2008-2021, while IBM owned the patent, many companies used CAPTCHAs on websites. However, IBM never sued anyone based on the '510 Patent, and, to DataDome's knowledge, never threatened to do so. This created the expectation that the patent would not be asserted. In 2021, IBM sold the '510 Patent to Arkose, as part of a portfolio, for an unknown amount of money. *See* Ex. 1021, Challenged Patent Assignment.

Thereafter, as explained above in Section II, Arkose has bombarded DataDome with a moving target of baseless infringement claims. Significantly, Arkose's letter writing campaign included both the assertion, and later withdrawal, of infringement claims relating to the '340 Patent, which is related to and a continuation grandchild of the '510 Patent, and the '427 Patent, which is challenged in IPR2025-00694. *See* Ex. 2006, 3/1/2023 Arkose Letter (alleging infringement of the '340 Patent); Ex. 1015, 12/1/2023 DataDome Letter (explaining why the '340 Patent is not infringed).

In this situation, it would have been inefficient for everyone involved for DataDome to have filed IPRs on any and every patent Arkose mentioned in a letter. That only would have resulted in the PTAB having to sort through petitions that never needed to have been filed. Rather, Arkose's pattern of throwing darts, only to pull them back, created an expectation among the parties that lawsuits (and ensuing IPR petitions) would not be forthcoming.

Arkose repeatedly argues that, because the '510 Patent has expired, this weighs in favor of denial. Brief at 9-12. But the opposite is true. As the Director has noted, the expiration of a challenged patent means that a petitioner can reasonably “expect[] non-enforcement of the challenged patent.” *Globus Medical, Inc. v. Spinelogik, Inc.*, IPR2025-00225, IPR2025-00226, Paper 8 (June 12, 2025) at 2.

Arkose’s other argument here, that DataDome allegedly delayed in filing the present Petition, is simply not the case. Brief at 9-10. DataDome filed by the 35 U.S.C. § 315(b) statutory deadline and had a settled expectation that complying with the deadline would not count against it. This was also a reasonable course of action in this case. As discussed above regarding *Fintiv* Factors 2-3, nothing has happened in the district court litigation that is unrelated to DataDome’s motion to dismiss. While increased information provided by infringement contentions (or other actions at the district court) could have beneficially narrowed the issues for the present Petition, that unfortunately did not occur and DataDome’s filing time was dictated by the statute.

*Fintiv* itself recognized that it is not unreasonable for a defendant to wait for infringement contentions before filing a petition. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) at 11 (“The Board recognizes, however, that it is often reasonable for a petitioner to wait to file its petition until it

learns which claims are being asserted against it in the parallel proceeding”).

Allowing the patent owner to first frame the dispute in the litigation is the very reason why Congress struck a balance in setting the statutory bar at one year after service of the complaint rather than a shorter six-month period. *See* 157 Cong. Rec. S5429 (Sept. 8, 2011) (S. Kyl) (explaining that in light of the House bill’s enhanced estoppels, it is important to extend the deadline for allowing an accused infringer to seek *inter partes* review from 6 months, as proposed in the Senate bill, to one year to afford defendants a reasonable opportunity to identify and understand the patent claims that are relevant to the litigation).

Applying this rationale to the present case, contentions still have not been served and DataDome still knows nothing about Arkose’s infringement case, much less what claims it will even assert. Moreover, there is no countervailing pressure here, like a trial date that would occur before the final written decision. Rather, as the *Fintiv* panel put it, an “expeditiously” filed petition is one filed “at or around the same time that the patent owner responds to the petitioner’s invalidity contentions.” *Fintiv* at 11-12. DataDome’s Petition was filed before invalidity contentions were even calendared, and they still have not been. The Petition was thus not only not delayed—it was expeditiously filed.

Indeed, the Director has recently recognized that a petitioner “acted diligently in filing” a petition “less than three months after Patent Owner asserted

claims 11 and 12 in district court,” given that those claims had not previously been asserted against the petitioner. *Savant Technologies LLC d/b/a GE Lighting v. Feit Electric Co., Inc.*, IPR2025-00260, Paper 16 (June 12, 2025) at 3.

Here, because contentions have not been served, DataDome still has no idea what set of claims Arkose intends to assert in the district court. If filing three months after learning of the asserted claims is diligent, filing before they are known should be considered diligent as well.

Arkose’s cries of delay are thus not supported by the facts or law. They are also not supported by its own conduct. Arkose filed the district court complaint on December 12, 2023. *See* Ex. 2003. But it did not even attempt to serve defendant DataDome Solutions, Inc., an easily served United States entity, until March 15, 2024, months later. *See* Ex. 1022, DataDome Solutions Summons. Since then, Arkose has not moved the court to advance the action, or showed any discontent with the pace the case has progressed at.

**PTAB Workload.** Arkose does not articulate any new argument here, and simply refers to some of the baseless arguments that are addressed elsewhere in this brief. The PTAB’s workload, while an important concern, is a generalized one. Arkose does not identify anything about this specific IPR that could uniquely hamstring the PTAB’s workload.

In fact, Arkose’s argument that DataDome’s decision to challenge “just one

[in actuality, two] of six asserted patents” from the district court case weighs in favor of denial turns this concern on its head. Brief at 11. Arkose’s apparent preference, that DataDome file six IPR petitions when only two were necessary—as explained above, the District Court has confirmed that Arkose’s other four asserted patents are patent ineligible under 35 U.S.C. § 101—is what would have been an inefficient and unnecessary strain on the PTAB’s workload. DataDome should not be punished for judiciously challenging the patents best suited for IPRs instead of firing darts at everything.

**Inefficiency of Partial Institution.** Arkose again does not articulate any new argument here, and simply rehashes arguments that are addressed elsewhere in this brief. Arkose’s suggestion that this IPR seeks “partial institution” is confusing, as every claim in the ’510 Patent is challenged in the Petition, and Arkose does not identify any alleged reason all of the claims would not be instituted together. As to the four patents asserted in the district court that DataDome did not challenge in IPRs, as discussed, the district court not only is a better forum to invalidate those patents, it has in fact just done so. Arkose’s suggestion that DataDome should have filed six IPRs instead of two is what would have been inefficient.

**B. Denial Under § 325(D) Would Not Be Appropriate Here**

As discussed above regarding the merits of the Petition re *Fintiv* Factor 6,

DataDome's Petition does the most helpful thing it could have done in terms of the PTO's resources—it explained how the combination of two completely new references, Lim and Guthrie, teach how to apply the well-known security concept of lockout timers to users that have failed a challenge question or quiz presented to distinguish whether an unknown website visitor is a human or a bot. The Lillibridge reference, which was of-record during prosecution, is discussed in the Petition only to explain what occurred during prosecution, and to demonstrate the obviousness of a few dependent claims. Arkose's argument that 35 U.S.C. § 325(d) should bar the use of new art simply because of-record art is discussed in the Petition wrongly seeks to encourage petitioners to actively ignore the hard work and time the PTO already invested during prosecution.

Moreover, the Petition ***does not rely on Lillibridge at all*** for most of the challenged claims, including the independent claims. See Petition at 32-57 (Ground 1, which relies on Lim and Guthrie, not Lillibridge, challenges claims 1, 1, 2, 7, 8, 13-15, 17-22, and 25-30).

Lillibridge is only used as a substantive reference to further demonstrate the obviousness of a few dependent claims. See Petition at 57-66 (Ground 2, which relies on Lim and Guthrie, in further view of Lillibridge, challenges claims 3-6, 9-12, 16, and 23-24). Here again, the Petition does not retread ground from prosecution—it simply explains how Lillibridge shows that it was obvious to

modify quizzes in certain ways. *Id.*

**1. The PTO Did Not Previously Consider Petitioner's Prior Art Invalidity Grounds**

Arkose ignores that the Petition relies on Lim and Guthrie, which are new references that were not before the examiner, as the primary references in showing invalidity of the challenged claims.

Again, DataDome's Petition explained exactly which claim concepts the examiner found were disclosed by the of-record Lillibridge reference—almost all of them—and which were not—only the limitation relating to the use of a conventional lockout timer. Petition at 17-18.

Providing this explanation was the most efficient thing to do, because it summarized the examiner's work, which showed that most of the limitations of the claims were met, while also applying new art that the PTO was not aware of.

Indeed, as just discussed, while the Petition uses Lillibridge to set the scene, it only relies on Lillibridge as a supplemental obviousness reference for a few dependent claims. *See* Petition at 57-66. Most of the claims, including all independent claims, are challenged entirely based on art that was not of record during prosecution. *Id.*

Arkose makes the unsupported allegation that the “disclosures of Lim and Lillibridge are duplicative and substantially the same in all material respects

relevant to the challenged claims.” Brief at 13. This is baseless. Arkose does not even identify a single claim limitation that is allegedly handled the same way and does not attempt to explain any alleged similarities that relate to the claims.

It is telling that Arkose ignores the extensive discussion throughout the Petition, discussed above regarding *Fintiv* Factor 6, about how the examiner found that Lillibridge did not teach only one claim limitation, and how the Petition relies on Lim’s and Guthrie’s teachings of that limitation.

To summarize, Lillibridge provided extensive disclosures of using what we now call CAPTCHAs to distinguish humans and bots when an unknown user accesses a website. See Petition at 1 (depicting Lillibridge, Fig. 4), 19-22:

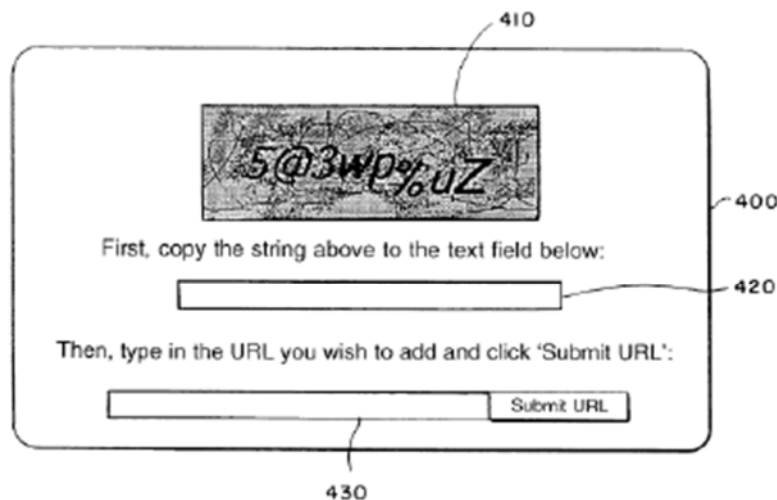


FIG. 4

Faced with Lillibridge, the Patent Owner amended the independent claims to recite the use of a conventional lockout timer the one shown in '510 Patent Fig. 4

to suspend users that have failed a conventional CAPTCHA test like Lillibridge's.

Petition at 17-18; Ex. 1004, Fig. 4.

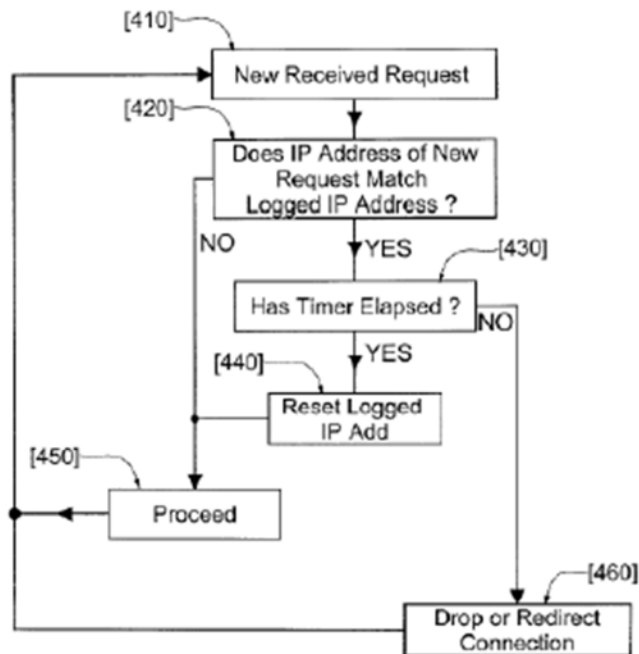


Figure 4

This use of a conventional lockout timer was the sole alleged point of novelty over Lillibridge. Petition at 17-18. The claims were allowed over Lillibridge because it does not disclose the use of a lockout timer.

Unlike Lillibridge, Lim does teach the use of a lockout timer in just this manner, alongside its teachings of more advanced CAPTCHAs. See Petition at 1-2, 22-24 (depicting Lim, Fig. 5):

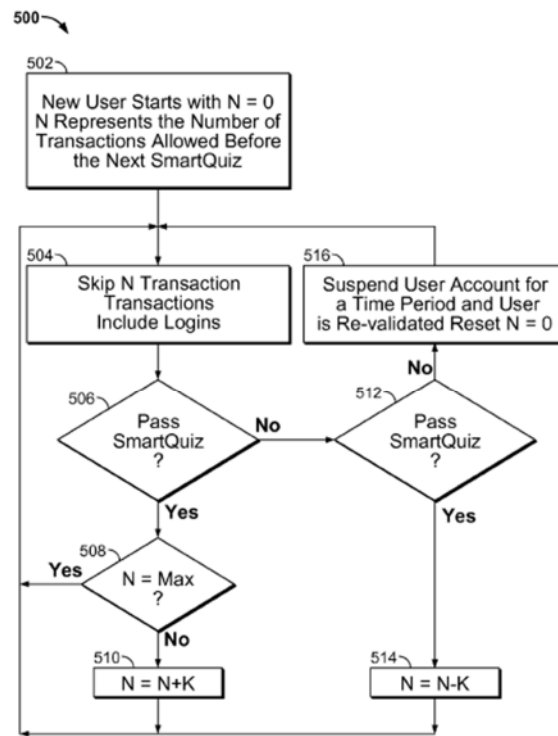


FIG. 5

And Guthrie complements Lim by describing lockout timers and account suspension procedures in additional detail. *See* Petition at 2, 25-28.

Lim and Guthrie not only disclose the limitation that the examiner concluded Lillibridge did not teach by way of a lockout timer that Lillibridge does not disclose, they also disclose and/or render obvious almost all of the '510 Patent claims, including all independent claims. Thus, the Petition refers to Lillibridge only for a few dependent claims as further evidence of their obviousness. *See* Petition at 57-66.

Arkose does not dispute that the application of lockout timers to users that have failed a challenge question or quiz presented to distinguish whether an

unknown website visitor is a human or a bot was known in the prior art, as taught by Lim. Arkose does not, and cannot, argue that Lim's implementation of a lockout timer alongside its CAPTCHA challenges relies on "the same or substantially the same prior art or arguments previously were presented to the Office." 35 U.S.C. § 325(d). The Petition explains in detail exactly what Lim adds, and Arkose does not address any of that discussion. Indeed, Arkose's brief does not even mention the words "lockout" or "timer" at all.

Instead, Arkose points out high-level commonalities between Lim and Lillibridge – that they are in the same field and address similar bot problems. Brief at 13-14. DataDome agrees – a POSITA would have thus been motivated to combine Lim and Lillibridge, as explained in the Petition. But this does not mean that the references are the same or provide substantially identical disclosures, particularly when it comes to the limitation that the examiner felt Lillibridge did not disclose. Indeed, that is exactly why Lim is in the Petition.

## **2. There Need Not Have Been a Material Error in the PTO's Patentability Analysis When Key Art Was Not of Record**

The second element of the *Advanced Bionics* test need not be reached because the Petition's primary references, Lim and Guthrie, were not previously considered.

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**IV. CONCLUSION**

For the foregoing reasons, Petitioner respectfully requests that the Director not discretionarily deny institution.

Date: July 15, 2025

Respectfully submitted,

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**CERTIFICATE OF WORD COUNT**

The undersigned certifies that the foregoing OPPOSITION TO PATENT OWNER'S DISCRETIONARY DENIAL BRIEF complies with the type volume limitation in 37 C.F.R. § 42.24. According to the utilized word-processing system's word count, the foregoing contains 6,218 words.

Dated: July 15, 2025

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**CERTIFICATE OF SERVICE**

The undersigned hereby confirms that the foregoing OPPOSITION TO PATENT OWNER'S DISCRETIONARY DENIAL BRIEF and associated Exhibits 1013-1022 were served via electronic mail upon the following counsel of record for Patent Owner:

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