UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ORCA SECURITY LTD,
Petitioner,

v.

WIZ, INC.,
Patent Owner.

IPR2025-01086
Patent 12,001,549

PATENT OWNER WIZ, INC.'S
REQUEST FOR DISCRETIONARY DENIAL

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I. RELIEF REQUESTED

Patent Owner Wiz, Inc. requests that the Director deny institution of inter partes review (IPR) against the involved U.S. 12,001,549 patent to Schindel ("the Schinel'549 patent"). 35 U.S.C. 314(a); Memo, *Interim Processes for Workload Management* (May 26, 2025) ("*Workload*") (providing process and considerations for discretionary denial). Petitioner Orca Security Ltd. is misusing U.S. Patent and Trademark Office processes to delay parallel infringement proceedings, so its petition should be denied.

II. BACKGROUND

Petitioner filed a patent-infringement suit against Wiz on July 12, 2023. EX1007. On June 4, 2024, Wiz filed and served a counterclaim asserting the Schinel'549 patent along with four other patents.[1] EX2001; EX2002. Orca did not file this petition until June 4, 2025—a ***full year*** after service.

By mutual agreement of the parties, the district court stayed the litigation until the final written decision in each ***Wiz IPR*** filed against Orca's patents. EX1008, 2. All six IPRs have been instituted and will be decided in the next five

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[1] Orca has also filed IPRs against those four patents: IPR2025-01083, IPR2025-01084, IPR2025-01085, and IPR2025-01087 (collectively, "the Orca IPRs").

months.[2]

The Schinel'549 patent issued on June 4, 2024. EX1001, cover. Hence, the involved patent was eligible for post-grant review (PGR) until March 4, 2025. 35 U.S.C. 321(c). Orca did not file a PGR petition against the Schinel'549 patent; instead, it waited until the statutory PGR deadline passed before filing this IPR.

III. ANALYSIS

The Director uses a six-factor test when determining whether to deny institution in view of parallel litigation:

> (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

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[2] IPR2024-00863, IPR2024-00864, IPR2024-00865, IPR2024-01109, IPR2024-01190, and IPR2024-01191 (collectively, "the Wiz IPRs").

(6) other circumstances that impact the Board's exercise of discretion, including the merits.

Apple v. Fintiv, IPR2020-00019, Paper 11, 5-6 (2020) (precedential). These factors relate to whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding. These factors may overlap and some facts may be relevant to more than one factor. Therefore, in evaluating the factors, the Director holistically determines whether efficiency and integrity of the system are best served by denying or instituting review. *Id*. The *Workload* memo provides further guidance on both the Director's process for considering discretionary denial and additional enumerated considerations to be briefed.

The relevant considerations, when analyzed holistically, support denying this petition (Paper 1, Pet.) due to Orca's unexplained and prejudicial delay in filing its petition.

A. *Fintiv* Factors

1. Whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted

The district court litigation has been "stayed as to all claims asserted by either party ***through decision in each of the Wiz IPRs***." EX1008, 2 (emphasis added). That is the problem: the Wiz IPRs are far ahead of this proposed IPR—

IPR2024-	Orca Patent	FWD Statutory Deadline
00863	11,663,031	December 9, 2025
00864	11,664,032	December 9, 2025
00865	11,693,685	December 9, 2025
01109	11,726,809	January 16, 2026
01190	11,740,926	January 22, 2026
01191	11,775,326	January 22, 2026

In short, the Orca IPRs would only reach institution decisions about the same time the Wiz IPRs will be finally decided,[3] at which point Orca could employ either of two potential strategies: (1) seek to lift the stay as to any Orca claims left standing following the Wiz IPRs while at the same time arguing for a stay as to the Wiz counterclaim patents involved in the Orca IPRs, or (2) argue that the stay should be lifted entirely. Either approach supports discretionary denial.

First, should Orca seek to lift the present stay and pursue enforcement of any surviving Orca claims, while at the same time arguing for a stay as to the Wiz patents in view of this and the other Orca IPRs, the effect would be prejudicial to

[3] The institution deadline is December 26, 2025, based on the June 26, 2025 notice of accorded filing date. Paper 5.

Wiz. It would create a two-trial timeline, in which Orca would be able to pursue its infringement litigation against Wiz, while stalling Wiz's infringement litigation against Orca.[4]

When the present stay was entered in January 2025, the case was scheduled for a single trial to address both Orca's and Wiz's patents. EX2003, DI 90. The stay does not contemplate the Orca IPRs because, although Orca already knew about the Wiz patents from Wiz's counterclaim, Orca did not inform the court of its intent to file IPRs five months later (that is, after delaying for the PGR period to expire). Significantly, Orca has not stipulated to a stay of the entire district-court proceeding pending the outcome of the Orca IPRs. Thus, through its delay and its silence before the district court about its intended IPRs against Wiz, Orca will be enabled to proceed on its patents, while the Wiz patents will be tied up in Orca's belated IPRs. Orca would potentially be rewarded for its IPR gamesmanship (waiting until the last possible day to file) by going to trial on its claims a year

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[4] To the extent Orca argues that appeals from the Wiz IPRs are inevitable, the same would be true for any Orca IPR that is instituted, leading to the same appellate delay, thus maintaining the same gap between the Wiz and Orca IPRs.

before Wiz.

Alternatively, Orca could seek to lift the stay for the Wiz patents in addition to its own, but this course would trigger *Fintiv*. The district court entered the stay on January 16, 2025. EX2003, DI 233. At that time, a 5-day jury trial was scheduled to begin within fourteen months—on March 2, 2026. EX2003, DI 90. Thus, given an equivalent timeline after lifting the stay in December 2025, trial would occur in early 2027 (February, approximately), within two months of any final written decision in this IPR. Given the court's ability to provide a jury resolution nearly as fast as the Board, starting another set of IPRs now—running parallel with the Orca infringement litigation between the same parties—is duplicative and a poor use of Board resources.[5]

A stay is not dispositive; otherwise, the *Fintiv* factors would not be holistic. On the specific facts of this petition, the current stay is ***irrelevant*** because it relates only to the Wiz IPRs and provides no protection to Wiz after those IPRs are decided this December and January. The year-long gap between the Wiz and Orca

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[5] Again, to the extent Orca argues that it has had to wait for the Wiz IPRs, it bears repeating that Orca could have filed IPRs and PGRs nearly a year ago to avoid this self-imposed delay.

IPRs is almost entirely due to Orca's delay. Orca has known of the Wiz patents since at least June 2024. *Dabico Airport Solutions v. Axa Power APS*, IPR2025-00408, Paper 21 (USPTO Dir. 2025) (encouraging prompt filing); *Immersion Systems LLC v. Midas Green Technologies, LLC*, IPR2021-01176, Paper 16, 14 (2022) ("filing its Petition in this proceeding on the last possible day * * * do[es] not evidence Petitioner's diligence here. We find the facts weigh in favor of exercising discretion to deny institution"). Indeed, Orca served invalidity contentions against the involved Schinel'549 patent a year ago, proving that Orca has been sitting on its strategy for a long time. EX2003, DI 131 (showing service of Orca invalidity contentions in August 2024).

The Wiz IPRs were filed in May and July 2024, meaning that with reasonable diligence Orca's PGR could have been filed within a few months of the Wiz IPRs. Instead, Orca strategically waited to avoid filing a PGR and to ensure that the two sets of IPRs are on significantly different schedules. Orca should not be rewarded for such shenanigans.

2. Proximity of the court's trial date to the Board's projected statutory deadline for a final written decision

As noted above, the district-court litigation is stayed for the Wiz IPRs, so the trial date is currently indeterminable, although it is likely within fourteen months of the stay being lifted, because that was the schedule in place when the case was stayed. Orca itself engineered a situation in which its IPRs will always run a year

or more behind the Wiz IPRs; hence, the final written decisions for the Orca IPRs will always be in a near tie with the likely trial date. In any case, the biggest harm comes not from the Orca IPRs running past the trial date, but from their running long past the time when the Wiz IPRs will be resolved and the stay might be lifted.

3. Investment in the parallel proceeding by the court and the parties

The parties engaged in significant fact discovery prior to the stay, including substantial completion of document production, initial and supplemental infringement and invalidity contentions and court intervention to resolve motions to compel and other disputes. EX2003, *e.g.*, DI 62, DI 76, DI 131, DI 139, DI 160, DI 169, DI 215. In addition, claim construction briefing was completed and the *Markman* hearing was scheduled for December 2024, but was canceled when the parties sought a stay. EX2003, DI 222, DI 223. Once the Wiz IPRs are resolved, the district court will be able to proceed to trial expeditiously with a record already simplified by the results of the Wiz IPRs.

4. Overlap between issues raised in the proceeding and in the parallel proceeding

As noted above, Orca filed invalidity contentions last year under seal. EX2003, DI 131. Orca then failed to include a *Sotera* stipulation with its petition. While Orca purported to file a stipulation just one week before the deadline for this discretionary denial brief (EX1029), that stipulation fails to reach the scope of the

stipulation at issue in *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (2020). Orca's stipulation includes a claw-back provision that would neutralize the stipulation in the event the Board "subsequently vacate[s] institution". EX1029, 3. Not only that, but Orca failed to file the stipulation in the district court case nor has it represented it will do so should the litigation stay be lifted. Hence, Orca's stipulation is entitled to little or no weight.

5. Whether the petitioner and the defendant in the parallel proceeding are the same party

The parties are the same in this IPR and in the district court. EX1007. This factor weighs against institution.

6. Other circumstances that impact the Board's exercise of discretion, including the merits; *Workload* Memo Factors

The *Workload* memo identifies several additional factors to consider when exercising discretion to deny institution, including "[t]he strength of the unpatentability challenge; [t]he extent of the petition's reliance on expert testimony; [s]ettled expectations of the parties, such as the length of time the claims have been in force; … and [a]ny other considerations bearing on the Director's discretion."

a. Strength of the Challenge; Reliance on Expert Testimony

The Office elaborates on this concern in its *General Knowledge* memo. Memo, *Enforcement and Non-Waiver of 37 C.F.R. §42.104(b)(4) and Permissible*

Uses of General Knowledge in Inter Partes Reviews (July 31, 2025) ("[E]nforcement of Rule 104(b)(4) means that applicant admitted prior art (AAPA), expert testimony, common sense, and other evidence that is not "prior art consisting of patents or printed publications" (collectively, 'general knowledge') may not be used to supply a missing claim limitation."); 37 C.F.R. §42.104(b)(4) ("The petition must specify where each element of the claim is found in the prior art patents or printed publications relied upon"). Orca's flouting of this requirement highlights the weakness of its challenge and warrants discretionary denial of its petition.

Examples of excessive reliance on expert gap-filling rather than on the ground references include claim elements 1(c) and 1(f) and claims 3-5. For claim element 1(c) Orca relies almost entirely on expert testimony for evidence to meet the "generate an output" claim requirement. Orca implicitly acknowledges that the cited Lal reference at best discloses a "prompt" as recited elsewhere in the claim, and relies on expert testimony regarding an "opinion that a POSITA would have understood" Lal's alleged prompt would result in an output as claimed. Pet. 23-24, Ex. 1003, Zadok Decl., ¶ 125. For element 1(f) and claims 3 and 4, Orca relies on expert testimony and non-grounds evidence to complete the "computing environment" portion of the claims. Pet. 31 ("A POSITA would have known that 'Active Directory' is a Microsoft service and technology that stores information

about the objects on the network, such as servers, network users, and computer accounts. Ex. 1003, Zadok Decl., ¶ 146; *see also* Ex. 1013, 1.”); also Pet. 31-32, 37 (citing expert and non-ground references). Similarly, Orca relies on expert testimony and non-ground evidence to provide the claimed database queries. Pet. 41 (“APIs such as the REST API and the JSON API have specifications that include example API queries (i.e., database queries). Ex. 1017; 1018; *see also* Ex. 1003, Zadok Decl., ¶¶ 193, 194 (citing Exs. 1017 and 1018).”). Orca’s petition is irredeemably deficient as filed. *SAS Institute v. Iancu*, 584 U.S. 357, 363 (2018) (explaining the petition controls the scope of the review). Such deficiency warrants discretionary denial.

b. Petitioner Action

Orca had nearly nine months after service of the counterclaim asserting the Schinel’549 patent to file a PGR, yet has made no effort to explain its delay to file an IPR instead. Two non-exclusive inferences arise: (1) Orca could not meet the higher standard for PGR institution on the merits or (2) Orca seeks to wring out as much delay as possible.

The acting Director has repeatedly signaled the Office’s preference for PGRs when they are possible. *See, e.g.*, *LifeVac v. DCSTAR*, IPR2025-00454, Paper 11, 2 (USPTO Dir. 2025) (“[P]etitions for post-grant review are favored because they must be filed no later than nine months from the grant of the patent

(35 U.S.C. §321(c)), are close in time to examination, and occur before expectations in the patent rights are strongly settled."); EX2004 ("Through the new PTAB processes the Office is trying to send a message to stakeholders—do not wait to file an IPR. Use … PGR to address concerns about … recently issued patents."). Here, Wiz asserted the Schinel'549 patent against Orca right after it issued, affording Orca nearly the full statutory nine months to file a PGR, yet Orca did not avail itself of PGR. In doing so, Orca avoided the higher institution threshold and stronger estoppel under the PGR statutes, as well as higher fees for the Office. 35 U.S.C. 324(a), 325(e); 37 C.F.R. §42.15(b). This delay alone constitutes gaming the system to the prejudice of both the Office (fees) and Wiz (delay).

c. Settled Expectations

Wiz has settled expectations based on Orca's failure to file a PGR petition and Orca's failure to include its planned IPRs in the agreed district-court stay. Wiz asserted the Schinel'549 patent against Orca in June 2024, leaving plenty of time to file a PGR petition before the time for doing so expired in March 2025 and plenty of time for Orca to seek a modification in the stay based on a PGR. Instead, Orca waited past the time for filing a PGR petition and up to the time limit for filing an IPR petition. *Cf. iRhythm Technologies v. Welch Allyn*, IPR2025-00363, Paper 10 (USPTO Dir. 2025) (denying due to petitioner's "awareness…and failure

to seek early review of the patents"). Note that the age of the patent is not dispositive in view of other factors. *Samsung Electronics v. GenghisComm Holdings*, IPR2025-00788, Paper 11 (USPTO Dir. 2025) ("Although the patents challenged in these proceedings have not been in force for as long as those in [previously denied IPRs], this fact alone does not tip the balance against discretionary denial."). The prejudicial timing of Orca's petition warrants discretionary denial.

B. Holistic Analysis Favors Denial

A stay directed to soon-to-be finished Wiz IPRs against Orca patents is not a stay for just-filed Orca IPRs against Wiz patents. No such stay exists, nor has Orca committed to seeking such a stay. If Orca offers to seek a stay now, this move would be a transparent attempt to leverage Orca's delay in challenging Wiz patents to Orca's advantage in the district-court litigation. Orca has had "awareness" of the Schinel'549 patent since at least shortly after it issued and yet "fail[ed] to seek early review" in order to game the Congressionally-designed post-grant review proceedings in its favor. Orca should not be rewarded for dodging PGR and delaying as much as possible. On the specific facts of this case, Orca's conduct warrants discretionary denial in favor of resolution before a jury in district court.

IV. CONCLUSION

On the specific facts of this petition—and particularly in light of this

petitioner's unjustified delay—discretionary denial is warranted.

Respectfully submitted,

Date: August 26, 2025

/Matthew A. Argenti/
Matthew A. Argenti
Reg. No. 61,836
Counsel for Wiz, Inc.

EXHIBITS

Exhibit	Description
2001	*Defendant Wiz Inc.'s Answer to Second Amended Complaint and Counterclaims*, 1:23-cv-00758-JLH (D.Del. June 4, 2024)
2002	*Courtesy service – Wiz counterclaim* (June 4, 2024)
2003	*Docket history*, 1:23-cv-00758-JLH (D.Del., through May 29, 2025)
2004	G. Quinn, *Stewart Says USPTO Wants Early Validity Challenges, Not Late IPRs*, https://ipwatchdog.com/2025/06/10/189554/id=189554/ (June 10, 2025)

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

I certify the word count for this request is 2850 words, excluding any table of contents, table of authorities, mandatory notices, certificate of service or word count, and appendix of exhibits or claim listing.

Date: August 26, 2025

/Matthew A. Argenti/
Matthew A. Argenti
Reg. No. 61,836
Counsel for Wiz, Inc.

CERTIFICATE OF SERVICE

I certify a true and correct copy of this paper was served today to the email correspondence addresses of the patent owner as follows:

Robin A. Snader	robin.snader@eriseip.com
Eric A. Buresh	eric.buresh@eriseip.com
Kathleen Fitterling	kathleen.fitterling@eriseip.com
Chris Schmidt	chris.schmidt@eriseip.com
Erise IP, P.A.	PTAB@eriseip.com

Respectfully submitted,

Date: August 26, 2025

/ Matthew A. Argenti /
Matthew A. Argenti