

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ZESTY.AI, INC.,
Petitioner

v.

AON RE, INC.,
Patent Owner

Case IPR2025-01358
U.S. Patent No. 10,529,029

PETITIONER'S SUR-REPLY ON DISCRETIONARY DENIAL

Mail Stop "PATENT BOARD"
Patent Trial and Appeal Board
U.S. Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

Petitioner Zesty.ai, Inc. (“Zesty”) files this Sur-reply to Patent Owner Aon Re Inc.’s (“Aon”) Discretionary Denial Reply (Paper 20, “DD Reply”), as authorized by email on November 13, 2025. EX3101.

As Zesty explained in detail in its discretionary denial Opposition (Paper 15, “DD Opp.”), the Director should not exercise discretion to deny institution here for multiple reasons: the examiner made a material error during prosecution which should be corrected, the Petition is an early challenge, Aon does not otherwise have settled expectations, the FWD will issue long before trial, and the PTAB is the most efficient forum to resolve the parties’ dispute. *See generally* DD Opp.

I. ZESTY’S SHOWING OF MATERIAL ERROR STANDS.

The Examiner materially erred by issuing the ’029 patent without even a *single* prior art rejection and using an improper search strategy. *See* DD Opp., 10-11. Aon does not dispute that it characterized the point of novelty of the ’029 patent as the use of “*two separate machine learning classifiers*, one that classifies property characteristics and another that classifies property conditions.” DD Opp., 10 (citing Paper 11, DD Br., 3-4); *see generally* DD Reply. The Examiner’s prior art search simply did not focus on this alleged point of novelty, thereby missing important prior art (namely, Gross, Davis, Furukawa) and issuing the claims in error. On Reply, Aon attempts to piece together a story whereby the Examiner did not err, but each of these arguments falls flat.

First, Aon points to the Examiner’s search string: “(property or properties or house or houses or ‘real property’ or resident\$3) near7 (classif\$3).” DD Reply, 3 (citing EX1002, 164). This search is directed to *property* classification generally, returning over 6,000 results. EX1002, 164. None of the search terms are directed to *machine learning*. See DD Opp., 10-11 (citing EX1002, 102-103, 162-175).

Second, that the Examiner cited certain references that happen to mention machine learning does not change the fact that the search overlooked important features of the claimed invention. *Contra* DD Reply, 3-4 (discussing 3 references pulled from the Examiner’s Notice of References Cited list). There is no reason to believe the Examiner focused on the correct aspects of the claim, namely the alleged point of novelty. Indeed, this is confirmed by the Examiner’s statement of reasons for allowance, which focuses on the claims’ allowability over art that does not discuss *machine learning classifiers* at all. EX1002, 150-151; DD Opp., 10-11.

Third, despite Aon’s implication otherwise, consideration of an IDS and citation of prior art do not constitute a *rejection* based on prior art. *Contra* DD Reply, 3. Aon also points to a clear misstatement by the Examiner in the Notice of Allowance, referencing “35 USC 103 rejections.” DD Reply, 3 (citing EX1002, 95, 150). But a review of the file history confirms—there were no prior art rejections made during prosecution. DD Opp., 10; *see generally* EX1002.

Finally, Aon faults Zesty for not addressing §325(d) in the Petition. DD

Reply, 4. But the Interim Director Discretionary Process guidelines explicitly state that “[t]he petitioner ... *should not present discretionary considerations in the petition.*” Interim Process Webpage, §I.C. (emphasis added).

II. AON HAS NO SETTLED EXPECTATIONS BECAUSE THIS PETITION IS AN EARLY CHALLENGE.

Aon focuses on Zesty’s knowledge of the ’029 patent and the parties’ pre-suit discussions, while ignoring the key point that the Petition was filed less than six years after the patent’s issuance. DD Reply, 1-3; DD Opp., 2. The nature of the parties’ pre-suit discussions and Zesty’s knowledge of the patents is irrelevant¹ to whether Aon has developed “settled expectations” based on the age of the patent. It has not.² Countless discretionary decisions determine that challenges of patents less than six years old are “early challenges,” where patent owners have *not* developed strong settled expectations. *See* DD Opp., 2 (citing cases in support).

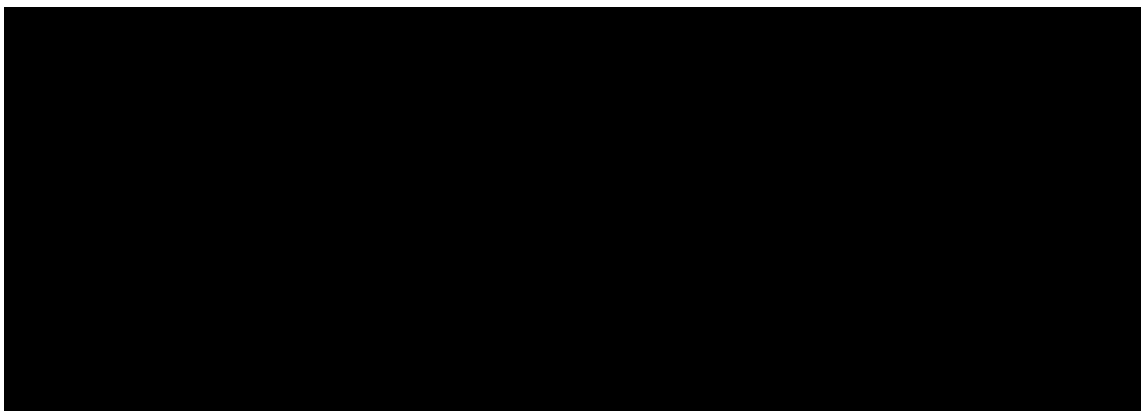
Zesty’s discussion of the parties’ prior dealings in the Opposition was not “an attempt to excuse [alleged] inaction” on Zesty’s part, as Aon incorrectly contends. DD Reply, 1. Rather, this discussion was simply responsive to Aon’s

¹ The unauthorized exhibits filed with Aon’s Reply should not be considered. Regardless, the related arguments are irrelevant, as explained herein.

² Even if Aon has settled expectations as to the ’029 patent (they do not), the PTAB is still the more efficient forum to address validity. *See* DD Opp., 11-12.

attempt to create an appearance of settled expectations for itself, arguing that Zesty was made aware of Aon's infringement allegations in July 2020 and therefore should have filed this IPR earlier. DD Br., 5-9. However, this IPR *is* an "early challenge." *See* DD Opp., 2. Even assuming Aon's characterization of the parties' discussions is correct, Aon has not cited a single case supporting its contention that licensing discussions alone provide a patent owner with any settled expectations vis-à-vis a particular petitioner. DD Opp., 5-6 (distinguishing Aon's cases).

In any event, Zesty repeatedly told Aon its patents were invalid. DD Opp., 3-6. Indeed, at no point did Zesty suggest otherwise. *Id.* Aon's Reply implies that Mr. Attila Toth (Zesty's CEO) suggested he believed the patents were valid by offering to take a license, DD Reply, 2-3, but Aon takes a segment of Mr. Toth's full statement out of context. In Mr. Toth's email, reproduced below, he clearly was *not* suggesting any validity or value of Aon's patents to Zesty:



EX2007, 6 (emphasis added). Quite the opposite, he reaffirmed Zesty's position that the patents [REDACTED] *Id.*; *see* DD Opp. 3-5.

III. ZESTY’S ANALYSIS OF THE CLAIMS IS NOT INCONSISTENT.

Zesty has not taken inconsistent claim construction positions. *See* DD Opp., 18-20. Aon contends—pointing to Zesty’s §101 arguments (which did not include claim construction)—“[h]umans cannot extract features in the ‘computer vision’ context.” DD Reply, 5. Regarding image “features,” Dr. Forsyth testifies:

When applied to computer vision contexts, the word feature (or “image feature”) typically refers to pieces of information that can be derived from the pixel content of an image (as opposed to descriptive aspects and qualities for the image such as metadata). For example, the ’029 patent describes that its “extract[ed] image-related features” can include “angles, outlines, substantially homogenous fields, etc.”

EX1003, ¶91. However, a human *can* look at an image and identify these exemplary image features identified by the ’029 patent and Dr. Forsyth. EX1001, 8:26–36. These could be, for example, the edges of a pool (outlines) or pool water (substantially homogenous field of blue). *See* EX1001, 8:4-8; *see also* 8:16-20.

IV. ZESTY’S OPPOSITION DOES NOT “REWRITE ITS PETITION”.

Aon finds fault with Zesty’s Opposition arguments regarding the Petition’s reliance on Gross, Jafri, and alleged lack of motivation to combine. DD Reply, 4-5. But a review of the Petition makes clear that Aon takes statements out of context and mischaracterizes Zesty’s positions. Zesty’s Opposition does not “rewrite” the Petition; it simply points out Aon’s misleading statements by citing to and discussing relevant portions of the Petition in response. *See* DD Opp., 14-18.

Respectfully submitted,

STERNE, KESSLER, GOLDSTEIN & FOX PLLC

/ Jennifer Meyer Chagnon /

Jennifer Meyer Chagnon
Registration No. 55,440
Counsel for Petitioner Zesty.ai, Inc.

Date: November 19, 2025

1101 K Street, NW, 10th Floor
Washington, DC 20005
(202) 371-2600

CERTIFICATE OF SERVICE (37 C.F.R. § 42.6(e))

I certify that the above-captioned **PETITIONER’S SUR-REPLY ON
DISCRETIONARY DENIAL** was served in its entirety on November 19, 2025,
upon the following parties via electronic mail:

Greg H. Gardella (Lead Counsel)
Michael J. Stimson (Back-up Counsel)
Alexis L. Ritzer (Back-up Counsel)
GARDELLA ALCIATI P.A.
ggardella@ga-iplaw.com
mstimson@ga-iplaw.com
aritzer@ga-iplaw.com
litigation@ga-iplaw.com

Respectfully submitted,

STERNE, KESSLER, GOLDSTEIN & FOX PLLC

/ Jennifer Meyer Chagnon /

Jennifer Meyer Chagnon
Registration No. 55,440
Counsel for Petitioner Zesty.ai, Inc.

Date: November 19, 2025

1101 K Street, NW, 10th Floor
Washington, DC 20005
(202) 371-2600