

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

OKTA, INC.,
Petitioner,

v.

THALES DIS FRANCE SAS,
Patent Owner.

Case IPR2026-00327
Patent No. 12,254,103

PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL

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List of Exhibits

Exhibit	Description
2001	Reserved
2002	Administrative Instructions under the Patent Cooperation Treaty, Part 8, Instructions Relating to Observations by Third Parties, Section 801, Third Party Observation System, https://www.wipo.int/en/web/pct-system/texts/ai/s801#_801_a (captured May 13, 2026)
2003	Thales Group United States - About Us, https://www.thalesgroup.com/en/worldwide/united-states/about-us (captured May 5, 2026)
2004	Thales Defense and Security Inc. – Manufacturing, https://www.thalesdsi.com/manufacturing/ (captured May 5, 2026)
2005	International Patent Application Publication No. WO 2021/073853
2006	Jonathan Vanian, <i>This Enterprise Software Unicorn Just Filed to Go Public</i> , Fortune Magazine (Mar. 13, 2017), https://fortune.com/2017/03/13/okta-cybersecurity-public/
2007	Agam Shah, <i>Made-in-China Servers Attracting More Buyers</i> , CIO (Mar. 9, 2016), https://www.cio.de/article/3686856/made-in-china-servers-attracting-more-buyers-4.html

I. Introduction

The Director should exercise discretion to deny institution to prevent Petitioner from bringing an unrelated foreign patent dispute into the United States. Petitioner has no valid reason for challenging the '103 patent. Despite being on notice of the subject matter of the '103 patent family since 2021, Petitioner did not challenge it until Petitioner was involved in a dispute with Patent Owner in Germany about a completely unrelated patent. Moreover, Petitioner's asserted grounds fall far short of demonstrating the invalidity of any claim of the '103 patent. Instituting review in this circumstance would frustrate Patent Owner's settled expectations and waste the Office's limited resources.

II. The '103 Patent

The '103 patent relates to novel and inventive systems, devices, and methods for managing security policies for data items stored in electronic identification (eID) wallets on mobile devices. EX1001 at Abstract, 2:48-52. The '103 patent explains that mobile devices may have multiple eID applications that may be useful to prove identification of an individual. *Id.* at 1:35-37, 6:23-45. These multiple eID applications may provide similar information (e.g., age or identity) but can vary significantly in trustworthiness and security constraints. *Id.* at 1:35-42.

The '103 patent addresses these deficiencies by organizing the eID

applications using namespaces and associating security policies with the namespaces on the mobile device. *Id.* at 1:58-62. The '103 patent discloses transmitting the list of namespaces to a verifier. *Id.* at 2:2-3. Further, the '103 patent also discloses operating the verifier to select a namespace from the list of namespaces to access a data item stored on the mobile device based on the security policies associated with the selected namespace. *Id.* at 1:62-65.

The disclosed technology improves mobile devices by providing them with the ability to offer more flexibility in assignment of security policies and communication of such security policies to verifiers of electronic identification data. *Id.* at 6:8-12. The inventive solution provides real market value by allowing for uniformity in communication of namespaces from a mobile device to a verifier and allowing the verifier to select a namespace based on a confidence level that the verifier associates with the namespace.

III. Origin of this IPR: A European Dispute About an Unrelated Patent

A. Petitioner Ignored the Publication in 2021

The claims of the '103 patent have been in force since 2025, and Petitioner was on notice of the subject matter of the '103 Patent family since April 22, 2021, when International Application PCT/EP2020/076906, from which the '103 Patent claims priority, was published. EX2005 at 1. Petitioner could have challenged the claims of the International Application via third-party submissions under

Section 801 of the Administrative Instructions under the Patent Cooperation Treaty,¹ but it did not.

Petitioner similarly ignored the '103 patent in the United States. The '103 patent issued on March 18, 2025 and Petitioner could have filed a PGR petition within nine months of issuance. But Petitioner did not do that either.

B. Action in Response to German Litigation

Following a breakdown in discussions between the Patent Owner and the Petitioner regarding licensing of unrelated European Patent Nos. EP 3090376 and EP 3732598 (“the European Patents”), Patent Owner initiated litigation in the German Courts (“the German litigation”) to assert its rights in the German counterparts of the European Patents. Petitioner then filed the present IPR petition, seeking to bring a European dispute to the United States, despite the lack of any relationship between the claims and subject matter of the '103 patent and those in the German litigation.

IV. Background of the Patent

A. Patent Owner

Patent Owner, Thales DIS France SA, is an international company with headquarters in Meudon, France, and with research and development (R&D) and

¹ EX2002.

manufacturing facilities around the globe, including in the United States. Patent Owner is a wholly owned subsidiary of its parent company, Thales Group, which employs 5,200 people spread across 20 states, and invests approximately \$1.4 billion annually in the U.S. supply chain, with \$188 million annual investment in U.S.-based R&D. EX2003 at 2. In addition, through its wholly owned manufacturing subsidiary, Thales Defense and Security, Inc. (“TDSI”), Patent Owner’s parent company Thales Group utilizes over 439,000 square feet of manufacturing facilities in the U.S., with TDSI being considered a 100% American company by the United States government. EX2004 at 1–2. These substantial manufacturing and R&D investments of Patent Owner’s parent company establish Patent Owner’s strong presence and interests in the United States.

B. Publications Relating to the ’103 Patent

The ’103 patent issued from U.S. Application No. 17/767,153 (“the ’153 application”), which was a U.S. national stage entry application of International Application No. PCT/EP2020/076906 (“the ’906 International Application”). EX1001 at 1. The ’906 International Application claims priority to European Patent Application No. EP19306357. EX1001 at 1.

The ’906 International Application was published almost five years ago on April 22, 2021, as WO 2021/073853. EX2005 at 1. The ’906 International Application entered the U.S. National Stage under 35 U.S.C. § 371 on April 7,

2022 and was published almost four years ago on November 24, 2022. EX1001 at 1. Neither the '103 patent nor any related counterpart thereof, including foreign counterparts, have ever been asserted in any court by the Patent Owner.

V. Analysis

A. U.S. Interests Favor Denial

1. The *Squires Memo* Favors Denial

The *Squires Memo* dated March 11, 2026, expressed concern regarding the use of IPR proceedings by entities who have either moved manufacturing out of the U.S. or otherwise not significantly invested in the U.S. Memorandum from John A. Squires, Under Sec'y of Com. for Intellectual Prop. & Dir. of the U.S. Patent & Trademark Office, to All PTAB Users, at 1–2 (Mar. 11, 2026) (“*Squires Memo*”). Noting the significant economic and national security damage the trend of such “off-shoring” has caused, Director Squires recognized that the effect of institution standards bears directly on the economy and the integrity of the patent system. *Id.* Director Squires further noted that “many of the most frequent users of IPR proceedings ... do not have a significant, existing manufacturing presence in the United States, nor are they taking concrete steps to invest in American manufacturing.” *Id.* at 2.

Patent Owner’s investment in U.S. manufacturing and R&D interests, as highlighted above at IV.A, favors denial of the Petitioner’s IPR Request. Indeed,

not only does Patent Owner have a significant, ongoing manufacturing presence in the U.S., but Patent Owner continues year-on-year to invest heavily in U.S. based operations and R&D, as discussed above. *See supra* § VI.A and accompanying citations; EX2003 at 2; EX2004 at 1–2.

The *Squires Memo* sets forth three points for consideration by the Director when determining institution, each of those factors relating to an alleged infringement and corresponding litigation. *Squires Memo* at 2. At present, Patent Owner has neither accused Petitioner of infringement, nor initiated any litigation against the Petitioner for infringement of the '103 patent (factor 1). While Patent Owner has initiated litigation in Germany against Petitioner for infringement of unrelated German counterparts of European patents, any such foreign litigation should have no impact on domestic, U.S. matters.

Petitioner Okta Inc., headquartered in San Francisco, California, appears to be an entity that, while off-shoring its work, attempts to make use of the IPR system against entities with a significant U.S. investment. Okta Inc. does not appear to have any manufacturing presence in the U.S., merely offering software as a service (SaaS) via Amazon Web Services servers. EX2006 at 2. Patent Owner notes that, although Amazon maintains strict confidentiality around its supply chain, the vast majority of cloud-based servers such as those utilized by Amazon Web Services, are manufactured in Asia, not the United States. EX2007 at 1–3.

Petitioner is not the type of entity for whom IPR institution should be decided favorably based at least on the concerns raised in the *Squires Memo*.

2. Underlying European Cause Favors Denial

There is no reason for the U.S. Patent and Trademark Office to get involved in the European dispute between Petitioner and Patent Owner involving patents wholly unrelated to the '103 patent.

In 2022, Patent Owner began discussions with Petitioner regarding licensing related to the European Patents. When the discussions failed, Patent Owner initiated first infringement proceedings for the German counterpart of EP 3090376 in the Landgericht München on December 30, 2024 (Ref: 7 O 16673/23).

Petitioner filed a suit for nullity of the German counterpart of EP 3090376 in the German Federal Patent Court on June 16, 2025 (Ref: 6 Ni 32/25 (EP)). Patent Owner then filed second infringement proceedings for the German counterpart of EP 3732598 in the Landgericht München on January 20, 2026 (Ref 7 O 132/26).

Shortly thereafter and instead of challenging the US counterparts of the patents in the German litigation, U.S. Patent Nos. 10,581,836 and 10,963,167, Petitioner filed the present petition.

The Director should reject Petitioner's attempt to bring the European dispute between the parties to the United States. Moreover, as discussed below, Petitioner has failed to demonstrate that its asserted prior art combinations would warrant

reconsidering the Examiner’s allowance of the issued claims.

B. Petitioner’s Inability to Demonstrate Unpatentability Favors Denial

Independent claims 1 and 16 of the ’103 patent recite, among other things, “associating security policies with each of a plurality of supported namespaces on a mobile device.” Independent claim 11 of the ’103 patent recites, among other things, “security rules associated with each selected namespace.” Neither of the primary references—*Makhotin* (EX1004) or *Jones* (EX1010) —discloses namespaces as construed by Petitioner. And neither Petitioner nor its expert provide any evidence for why a person of ordinary skill in the art (“POSITA”) would have combined the namespaces allegedly disclosed in *Coulomb* (EX1005) with *Makhotin* or *Jones*.

Petitioner asserted that “the term ‘namespace’ should be construed as ‘symbolic mechanism for organizing and identifying pieces of data’ (Petition at 2), but failed to apply this construction to the disclosures of the primary references. Petitioner asserted without explanation that “[e]ach payment application on Makhotin’s mobile device functions as the claimed ‘namespace’” (*id.* at 19) and that “payment applications stored on Jones’s mobile device function as the claimed ‘namespaces’” (*id.* at 55). Neither Petitioner nor its expert explained how the payment applications on *Makhotin*’s or *Jones*’s mobile device constituted a

“symbolic mechanism for organizing and identifying pieces of data,” under Petitioner’s construction. *See* Petition at 19 (citing EX1003 at ¶¶135, 100, 116–18); *id.* at 55 (citing EX1003 at ¶ 272).

Petitioner also relied on *Coulomb* as allegedly disclosing “namespaces” but again failed to show why a POSITA would have modified *Makhotin* or *Jones* to implement *Coulomb*’s alleged namespaces. With regard to the *Makhotin-Coulomb* combination, Petitioner asserted that “[s]uch an implementation would simplify access to multiple credentials exhibiting identifier conflicts.” Petition at 13. But the Petition did not identify any identifier conflicts or ambiguity in accessing a particular payment application or data stored within that application in *Makhotin*. *See id.* With regard to the *Jones-Coulomb* combination, Petitioner similarly asserted that using *Coulomb*’s namespaces in *Jones* “would have saved both time and money.” *Id.* at 50. Again, neither Petitioner nor its expert provided any evidence or bases for why the combination would save time and money. *See id*; *see also* EX1003 at ¶¶ 253-264. Petitioner’s proposed modification thus seeks to address non-existent problems in *Makhotin* or *Jones*, and lacks a sufficient rationale to combine the teachings of *Makhotin* or *Jones* with *Coulomb*.

In short, Petitioner has failed to show that its primary references *Makhotin* and *Jones* disclose “namespaces,” which are recited or included in every claim of the ’103 patent. Petitioner has also failed to identify any tenable reason for

modifying *Makhotin* or *Jones* to implement the alleged namespaces disclosed by *Coulomb*. These deficiencies are fatal to the Petition.

C. The Lack of a Parallel Litigation and Petitioner's Sotera Stipulation Do Not Favor Institution

In an IPR proceeding for U.S. Patent No. 11,387,982, also owned by Patent Owner, Petitioner cited *Amgen Inc. v. Bristol-Myers Squibb Co.*, IPR2025-00601, -00602, -00603, Paper 9 at 2 (July 24, 2025) (informative), asserting that its challenge had no parallel proceedings and posed no risk of inconsistent outcomes of duplicated efforts. *Okta, Inc. v. Thales DIS France SAS*, IPR 2026-00278, Paper 9 at 6. Although there are no parallel proceedings for the '103 patent, Petitioner's reliance on *Amgen* is misplaced. Indeed, even in *Amgen*, the Director denied institution in two of three IPR proceedings notwithstanding the lack of parallel litigation. *Amgen*, Paper 9 at 2-3.

Here, Petitioner was on notice of the '103 patent family since April 22, 2021. Yet Petitioner failed to challenge the corresponding international application, and further failed to challenge the '103 patent via a PGR even though PGR challenges are favored. *Multi-Color Corp. v. Brook & Whittle Ltd.*, PGR2025-00025, Paper 10 at 2-3 (July 16, 2025) (precedential) ("Petitions 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.”). The Director should not permit Petitioner to waste the Office’s limited resources by belatedly challenging the ’103 patent in response to a foreign litigation.

Moreover, although Petitioner purports to have filed a *Sotera* stipulation (EX1017), such stipulations are no longer determinative and are considered only as part of the overall analysis. Memorandum from Scott R. Boalick, Chief Admin. Patent Judge, to Members of the Patent Trial and Appeal Board, at 2–3 (Mar. 24, 2025). Thus, neither the absence of any parallel proceedings nor Petitioner’s *Sotera* stipulation demonstrate that discretionary denial is unwarranted.

VI. Conclusion

Petitioner had prior notice and opportunity to challenge the subject matter of the '103 patent but chose not to do so until confronted with wholly unrelated litigation in Europe. Petitioner's attempt to use the limited resources of the Office to adjudicate a European dispute is improper. Even now, Petitioner's prior art combination fails to disclose elements present in every claim of the '103 patent. The Director should deny institution to avoid wasting the Office's limited resources.

Dated: June 8, 2026

By: / Joshua L. Goldberg /
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CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing **PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL AND EXHIBITS 2002 THROUGH 2007** were served electronically via email on June 8, 2026, in their entirety on the following:

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Dated: June 8, 2026

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