

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

OKTA, INC.,
Petitioner,

v.

THALES DIS FRANCE SAS,
Patent Owner.

IPR2026-00327
Patent 12,254,103

**PETITIONER'S OPPOSITION TO PATENT OWNER'S
REQUEST FOR DISCRETIONARY DENIAL**

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LIST OF EXHIBITS

OKTA-1001	U.S. Patent No. 12,254,103 to Faher et al. (“the ’103 Patent”)
OKTA-1002	Prosecution History of the ’103 Patent (“the Prosecution History”)
OKTA-1003	Declaration and Curriculum Vitae of Dr. Michael I. Shamos
OKTA-1004	U.S. Patent Application Pub. No. 2015/0127529 to Makhotin et al. (“Makhotin”)
OKTA-1005	U.S. Patent Application Pub. No. 2022/0222330 to Jogand-Coulomb et al. (“Coulomb”)
OKTA-1006	U.S. Provisional Patent Application No. 62/827,626 (“Coulomb-provisional”)
OKTA-1007	U.S. Patent Application Pub. No. 2015/0327071 to Sharma et al. (“Sharma”)
OKTA-1008	U.S. Patent No. 8,402,526 to Ahn (“Ahn”)
OKTA-1009	Oasis Identity Metasystem Interoperability Version 1.0 Standard (“Oasis”)
OKTA-1010	U.S. Patent Application Pub. No. 2015/0186864 to Jones et al. (“Jones”)
OKTA-1011	European Patent Application Pub. No. EP1132839B1 (“Takayama”)
OKTA-1012	RFC 2246 TLS Protocol Version 1.0 (January 1999)
OKTA-1013	Stallings, “Computer Organization and Architecture,” 10 th Ed. 2016

OKTA-1014	Pythonhosted.org, “Django v1.2 documentation,” July 5, 2010, available at https://pythonhosted.org/django_simple_feedback/ref/unicode.html
OKTA-1015	U.S. Provisional Patent Application No. 62/828,694 (“Second Coulomb-provisional”)
OKTA-1016	Declaration of June Ann Munford
OKTA-1017	Petitioner’s Stipulation dated May 4, 2026
OKTA-1018	Prosecution History of EP20775659.4
OKTA-1019	Prosecution History of CA 3,154,428
OKTA-1020	https://www.thalesgroup.com/en/investor-relations/share-and-shareholding (retrieved June 15, 2026)

I. INTRODUCTION

This case warrants referral and institution for three reasons. *First*, there are clear material errors. The Examiner allowed the '103 Patent to issue after a cursory examination process that concluded *without a single* prior art rejection. Meanwhile, multiple foreign patent offices evaluated virtually identical claims more carefully, cited highly relevant prior art, and compelled narrowing amendments. The lack of similarly diligent examination by the Office handed Patent Owner Thales DIS France SAS (“Thales”) a broader-than-justified patent right. *Second*, this proceeding risks no duplication of effort because Petitioner Okta Inc. (“Okta”) brought its challenge exclusively before the Board and submitted a prior art stipulation that is even more comprehensive than the statutory § 315(e)(2) estoppel. *Third*, Thales has no settled expectations that preclude review of the '103 Patent. This patent was issued less than two years ago, and Thales has tellingly amended identical claims in related foreign prosecutions to address prior art rejections.

To evade a merits review, Thales makes three peculiar arguments. *First*, Thales points to a lawsuit that it initiated against Okta in Germany over unrelated foreign patents. Why Thales believes an unrelated German lawsuit protects it from a merits review of an erroneously issued United States patent remains a mystery. *Second*, Thales accuses Okta of lacking significant domestic investment in the United States, ostensibly because Okta’s software runs on Amazon servers that

might be manufactured in Asia. At best, that argument is a distraction: Okta is an American company that employs thousands of Americans to provide cybersecurity software that protects our nation's infrastructure. Thales's misguided domestic-investment argument cannot distract from the fact that Thales is a foreign entity holding overbroad U.S. patents. *Third*, Thales attacks a strawman by criticizing plain *Sotera* stipulations, ignoring that Okta's guarantee is far more comprehensive.

In sum, the need to correct material examination errors, the absence of any parallel validity proceedings on the '103 Patent paired with Okta's stipulation, and the lack of settled expectations heavily favor referral and easily overcome Thales's bid for denial. In a recent *inter partes* review between the same parties (IPR2026-00278), the Director considered a substantially similar fact pattern and referred the proceeding to the merits stage. Okta submits that the same result is warranted here.

II. ARGUMENT

A. The Operative Facts Weigh Strongly Against Discretionary Denial

1. This Challenge Cures Material Examination Errors by Exposing Overlooked Claim Defects and Missed Prior Art

The Examiner allowed the '103 Patent's claims, largely as filed, without raising even a single prior art rejection. *See* OKTA-1002, 264–280 (resolving a minor § 112 issue with a dependent claim amendment). That was a mistake, one underscored by the rejection of virtually identical claims in a counterpart European patent application. OKTA-1018, 16–20 (finding the claims “not inventive” over a

D1 reference, i.e., US 2016/0294831), 45–52 (finding the claims “not inventive” over D1 and a D2 reference, i.e., WO 2015/036957). Rather than traversing this rejection, Thales capitulated, choosing to narrow its independent claims in Europe by introducing new limitations (underlined below) not found in the ’103 Patent claims. OKTA-1018, 2–4.

'103 Issued Claim	Thales’s Amendments in Parallel European Prosecution
1. A method for managing security policies for data items stored in an electronic identification (eID) wallet on a mobile device, comprising: associating security policies with each of a plurality of supported namespaces on a mobile device; and operating a reader executing a reader module to communicate with the mobile device and to select a namespace to access a data item stored on the mobile device based on the security policies associated with the plurality of supported namespaces on the mobile device. OKTA-1001, 12:9–18.	1. A method for managing security policies for data items stored in an electronic identification (eID) wallet on a mobile device, comprising: associating security policies with each of a plurality of supported namespaces on a mobile device; <u>wherein each security policy specifies technical authentication requirements that must be satisfied by a reader before granting access to data in the corresponding namespace, and</u> operating a reader executing a reader module to communicate with the mobile device and to select a namespace to access a data item stored on the mobile device based on the security policies associated with the plurality of supported namespaces on the mobile device, <u>wherein the reader evaluates its technical capabilities against the authentication requirements specified in each security policy to determine which namespaces it can access.</u> OKTA-1018, 2.
11. A mobile device comprising: a processor; and a memory for storing instructions executable by the processor and for storing electronic identity (eID) data, the memory including an eID wallet application having instructions to cause the processor to: receive a list of selected namespaces from a reader; in response to receiving the list of selected namespaces from the reader, transmitting security rules associated with each selected namespace according to a defined bytestring template. OKTA-1001, 13:37–47.	11. A mobile device comprising: a processor; and a memory for storing instructions executable by the processor and for storing electronic identity (eID) data, the memory including an eID wallet application having instructions to cause the processor to: <u>— receive a list of selected namespaces from a reader;</u> <u>— in response to receiving the list of selected namespaces from the reader, evaluating technical authentication capabilities required for each selected namespace; and</u> <u>— in response to receiving the list of selected namespaces from the reader, transmitting security rules associated with each selected namespace according to a defined bytestring template,</u> <u>— wherein the security rules specify technical parameters including required authentication protocols, hash types, signature schemes, and secure messaging options that the reader must implement to access data in the namespace.</u> OKTA-1018, 4; <i>see also id.</i>, 34–35.

Thales’s willingness to narrow its European claims without even attempting to defend their original breadth, which mirrors the ’103 Patent, confirms the

magnitude of the Examiner's error. The Examiner had the very same references at his disposal (OKTA-1002, 254) but overlooked the import of their teachings and failed to analyze them on the record like the European Patent Office did (*id.*, 304–305). *See Ecto World LLC v. Rai Strategic Holdings Inc.*, IPR2024-01280, Paper 13 at 5 (May 19, 2025) (precedential) (explaining that a material error can be established by “point[ing] to the fact that even though the asserted prior art is listed on an IDS, the Examiner did not issue any prior art rejections during examination”).

This reject-and-amend exchange between the EPO and Thales was not a unique, isolated event. It happened in Canada, too. The Canadian Intellectual Property Office rejected identical claims based on identical prior art—all of which the Examiner had before him when he erroneously allowed the '103 Patent's claims to issue. *See* OKTA-1019, 133–135 (rejection citing D1, i.e., US 2016/0294831, and D2, i.e., WO 2015/036957); OKTA-1002, 254. Even after Thales attempted to narrow the claims by amendment, the CIPO repeatedly maintained its rejections, and those same rejections remain in place to this day. OKTA-1019, 60–89 (discussing responsive amendments), 45–52 (rejecting amended claims); *see also id.*, 2–43.

Not only did the Examiner overlook the teachings of highly pertinent prior art before him, but he also failed to discover the even more compelling references advanced in Okta's Petition. Indeed, the Petition establishes conclusively that the Makhotin, Jones, and Coulomb references teach the '103 Patent's core concept of

organizing the data items of a mobile wallet into distinct “namespaces,” associating specific “security policies” with each namespace, and using a reader/verifier to select a namespace based on those policies. *See* OKTA-1001, 1:50–54, 1:58–66, 5:60–6:9, 10:14–34; Pet. 15–26, 51–59. That Okta, the EPO, and the CIPO all unearthed prior art teachings that the Examiner overlooked is compelling proof of a material error. *See Microsoft Corp. v. ParTec Cluster Competence Center GmbH*, IPR2025-00318, Paper 9 at 2–3 (Jun. 12, 2025) (finding “persuasive evidence that the Office erred in a manner material to patentability...by overlooking the teachings of [two uncited references]”); *Taiwan Semiconductor Manufacturing Company Ltd. v. Marlin Semiconductor Ltd.*, IPR2025-00847, Paper 11 at 3–4 (Sep. 3, 2025) (finding a “material error” where “the patent examiner overlooked certain teachings in [a cited art reference] that appear to disclose the claimed features”).

Thales’s only retort is to assert that the Petition does not adequately map the ’103 Patent’s definition of “namespace” to Makhotin or Jones and that a skilled artisan would not have applied Coulomb’s express teachings regarding data elements stored in namespaces in a wallet application of a mobile device to Makhotin or Jones. DD_Br. 8–9. But Okta’s Petition plainly addresses these issues. Regarding Makhotin, the Petition maps the “namespace” limitation directly:

- “Makhotin describes that ‘[t]he payment applications store payment information associated with one or more consumer accounts.’”

- “Each application is associated with an ‘application identifier’ for identifying the payment application and accessing the stored data.”
- “These payment applications therefore meet the ’103 patent’s ‘namespace’ definition because each functions as ‘a symbolic mechanism for organizing and identifying pieces of data.’”

Pet. 19–20. Likewise, the Petition proves that Jones discloses “namespaces” exactly as defined by the ’103 Patent:

- Jones’s “payment applications store ‘payment information’ which includes payment credentials and ‘personal information associated with a user or a consumer.’”
- “The payment applications therefore meet the ’103 patent’s ‘namespace’ definition because each payment application functions as ‘a symbolic mechanism for organizing and identifying pieces of data.’”

Pet. 55.

The Petition also identifies multiple reasons that would have prompted a skilled artisan to apply Coulomb’s additional namespace teachings to both Makhotin and Jones, all of which Thales fails to meaningfully refute. *Compare* Pet. 10–14, 48–51 *with* DD_Br. 9.

2. This Challenge Has No Parallel Proceedings and Poses No Risk of Inconsistent Outcomes or Duplicated Efforts

There is no risk of duplicated efforts because the validity defects in the '103 Patent are solely before this Office for direct and efficient resolution. The informative case of *Amgen Inc. v. Bristol-Myers Squibb Co.* is directly on point. There, the Acting Director observed that “the parties are not currently engaged in a parallel proceeding involving the challenged patent[]” and explained that this factor “counsel[s] *against* discretionary denial” because “there is currently no concern of inconsistent outcomes and duplication of efforts.” *Amgen*, IPR2025-00601, -00602, -00603, Paper 9 at 2 (Jul. 24, 2025) (informative). The same is true here.

Moreover, Okta goes a step further than the petitioner in *Amgen* by offering a broad *Sotera*+ stipulation that binds Okta far more strictly than the statutory § 315(e)(2) estoppel in any future litigation between the parties on the '103 Patent. *See* OKTA-1017. Contrary to Thales’s assertions, Okta is not merely offering “a *Sotera* stipulation” (DD_Br. 11) but rather a sweeping guarantee that outstrips even the “broad stipulation” endorsed in the informative case of *Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00217, Paper 9 at 2–3 (Jun. 13, 2025). For example, beyond the assurances endorsed in *Tesla*, Okta also precludes itself from pursuing “any ground under §§ 102 or 103 on the basis of system art mirroring the references that form the basis of any ground raised in IPR2026-00327” if this proceeding is instituted and remains instituted. OKTA-1017.

As in both *Amgen* and *Tesla*, referral and institution of Okta's present challenge would serve the AIA's core purpose of providing a true alternative to district court or ITC litigation.

3. This Early Challenge Promotes Robust, Predictable Patent Rights Without Upsetting Settled Expectations

Thales has no settled expectations of validity and is indisputably aware based on counterpart European prosecution that the '103 Patent has defects. The '103 Patent was issued only slightly more than a year ago on March 18, 2025, and retains a substantial term. This posture mirrors the *Amgen* case, where the Acting Director referred a petition challenging a patent issued in 2022 that had "not been in force for a significant amount of time." *Amgen*, Paper 9 at 2. Referral is likewise warranted here, as "early" challenges foster "robust, predictable patent rights and weigh against discretionary denial." *Sun Pharm. Indus., Inc. v. Nivagen Pharm., Inc.*, IPR2025-00893, Paper 18 at 2 (Sep. 19, 2025) (informative).

Thales "has not sufficiently articulated [any] reasons" why such a young patent would command settled expectations. *Amgen*, Paper 9 at 2. Beyond a vague and unsubstantiated assertion that Okta was somehow "on notice" of the '103 Patent family since April 22, 2021, Thales offers no meaningful discussion on this topic. DD_Br. 10–11. Regardless, any putative settled expectations of validity are undercut by the '103 Patent's European counterpart application in which Thales

added significantly narrower claim recitations to the independent claims to achieve allowance. *See supra*, § II.A.1; OKTA-1018, 2–4.

B. Patent Owner Provides No Valid Reason for Discretionary Denial

The facts of this case show that Okta’s Petition is ripe for referral to the merits stage. The few points Thales raises to avoid review of the ’103 Patent all fail.

1. The German Litigation Involves Unrelated Foreign Patents That Are Irrelevant to This Challenge

Thales first argues that discretionary denial is warranted because it sued Okta in Germany. But Thales admits that this German litigation involves “unrelated” foreign patents and is an “unrelated” dispute. DD_Br. 1, 3, 6–8. Thales seems to think it can immunize defective patents in its U.S. portfolio by filing lawsuits elsewhere. Thales is incorrect. This argument does not favor denial.

2. Patent Owner Fails to Show Relevant United States Manufacturing Investments

Thales misleads by urging discretionary denial in the name of Director Squires’ memorandum on *Additional Discretionary Institution Considerations – U.S. Manufacturing and Small Business Use of AIA Proceedings* (“the Director’s Memo”). *See* DD_Br. 5–7 (“The Squires Memo Favors Denial”).

Even if a patentee’s domestic investments wholly unrelated to the challenged patent or any accused product were pertinent under the Director’s Memo, Thales has established no such investments. The patentee here is Thales DIS France SAS. But

the sole source of alleged domestic manufacturing referenced in Thales's brief is attributed to two different legal entities—the parent company, Thales Group, and a distinct subsidiary called Thales Defense and Security Inc.—neither of which is the patentee or an identified real party-in-interest. DD_Br. 4 (citing EX2003 and EX2004). These non-party entities and their putative domestic manufacturing investments are not relevant. And to the extent Thales Group is pertinent, its largest voting rights holder appears to be a foreign government. *See* OKTA-1020, 6 (indicating that the “French state” holds 36.35% “of total number of voting rights”).

Finally, Thales argues that Okta does not have a sufficient “presence in the U.S.” because Okta’s software runs on “Amazon Web Services,” and “servers such as those utilized for Amazon Web Services[] are manufactured in Asia.” DD_Br. 6. But Okta’s domestic presence is beyond debate. It is a matter of public record that Okta is a U.S. cybersecurity company, founded and headquartered in San Francisco with additional offices across the country.¹ Okta employs thousands of Americans who develop the very cybersecurity solutions securing major federal identity systems, two-thirds of the Fortune 100, and the USPTO itself.²

¹ *E.g.*, <https://www.okta.com/company/>.

² *E.g.*, <https://www.uspto.gov/about-us/usptogov-account/secure-authentication>.

It is surprising that Thales, a French entity, chose to raise domestic presence and investment as a primary point in its brief. But since it has, Okta points out that shielding an erroneously issued and foreign-controlled patent like the '103 Patent from an early validity challenge raised by an American company like Okta would be a disservice to the United States economy, security, and public interest.

Okta respectfully requests that this matter be referred for a merits review.

Respectfully submitted,

Dated July 7, 2026

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CERTIFICATE OF SERVICE

Pursuant to 37 CFR § 42.6(e)(4), the undersigned certifies that on July 7, 2026, a complete and entire copy of this Petitioner's Opposition to Patent Owner's Request for Discretionary Denial and its accompanying exhibits were provided by email to the Patent Owner by serving the correspondence email addresses of record as follows:

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