

Paper No. _____
Filed: June 02, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ALLIANCE LAUNDRY SYSTEMS, LLC,
Petitioner,

v.

PAYRANGE LLC,
Patent Owner.

Case No. PGR2025-00028
Patent No. 11,972,423

**PATENT OWNER'S REPLY BRIEF
IN SUPPORT OF DISCRETIONARY DENIAL**

Pursuant to email authorization (EX3101), Patent Owner PayRange LLC submits this reply brief to address Petitioner’s reliance on *Ecto World, LLC v. RAI Strategic Holdings, Inc.*, IPR2024-01280, Paper 13 (May 19, 2025) (precedential). As explained in PayRange’s request, *Advanced Bionics* supports discretionary denial because the same art and arguments were previously considered by the Office. Req., 7-21. For the reasons stated below, Petitioner fails to establish material error as required by *Ecto World*.

“Challenging the claims using the same prior art that was previously presented on an IDS is sufficient to satisfy the first part of the *Advanced Bionics* framework.” *Ecto World*, 4. There is no dispute that all four references applied in Petitioner’s prior-art grounds were disclosed during prosecution of the ’423 patent. Opp., 7-8; Pet., 97. Therefore, it becomes Petitioner’s burden to “explain, with reference to *Becton Dickinson* factors (c), (e), and (f), how the Examiner erred in overlooking the prior art.” *Ecto World*, 5; *see also id.*, 6 n.2 (“Petitioner’s burden to demonstrate material error”), 7 (requiring petitioner to “identify and explain the Office’s alleged error ... and why that error is material to patentability”).

Petitioner fails to meet its burden to demonstrate material error. For each of factors (c), (e), and (f), Petitioner argues (1) “‘the Examiner did not issue any prior art rejections during examination,’ which was a material error” (Opp., 11 (quoting *Ecto World*, 5-6)); and (2) “the Examiner committed a material error ... by

misapprehending or overlooking the[] references and their teachings, even though they were cited in a voluminous IDS” (*id.*, 15). *See also id.*, 16-17.

First, to the extent Petitioner suggests that the absence of a rejection during examination alone constitutes material error, *Ecto World* does not support such a finding. *Ecto World* explains that “the Examiner materially err[s] by overlooking ***certain teachings in the prior art*** on the IDS.” *Ecto World*, 5-6 (emphasis added). Thus, simply pointing to a lack of prior-art rejections is insufficient to satisfy Petitioner’s burden.

Second, Petitioner’s contention that the Examiner must have misapprehended or overlooked the references because “they were cited in a voluminous IDS” ignores the nature of the examination. The Examiner of the ’423 patent was the same examiner of the previous five continuing applications in the ’423 patent’s direct line. *See* Req., 9, 14-15. During examination of those applications, the Examiner reviewed references and applied rejections. The prosecution histories of those applications are therefore relevant to assessing the Examiner’s familiarity with the prior art and its relation to the ’423 patent’s subject matter. *See* MPEP §609.02 (consideration of art in parent applications). This extends to the prior art applied in this proceeding. For example, Arora was listed as the sole reference in an October 2020 IDS submitted and substantively discussed in an interview during the ’614 patent’s examination. EX2002, 3, 8-9.

Both Low and Arora were also listed in an August 2022 IDS submitted in the '772 patent prosecution. EX2003, 7. Thus, the Examiner was familiar with these references well before the IDS submitted with the '423 patent. This previous familiarity is particularly relevant because these patents involve claims that **Petitioner** characterizes as **materially identical** to the '423 patent claims. See Pet., 73 (arguing '614 patent claims are “materially identical” to '423 patent claims); EX2005, 11-18 (arguing same for '772 patent claims).

The Examiner’s familiarity with Petitioner’s applied references goes beyond just the references themselves. The Examiner was also familiar with expert testimony (*including testimony from Petitioner’s own expert*) applying those same references to the “materially identical” claims of the '614 and '772 patents. See Req., 10-13. Petitioner discounts this by arguing that PayRange “has no evidence that the Examiner actually considered each of the references or the prior PTAB proceedings.” Opp., 11. However, this argument improperly shifts the burden to PayRange to prove lack of material error. *Cf. Ecto World*, 6 n.2 (reliance on Board to demonstrate material error improperly shifts burden). Moreover, it is proper to conclude that the Examiner considered the references indicated by the signed IDS and considered the relevant papers and testimony of the related PTAB proceedings **as required by** MPEP §904.4. See *Rexnord Corp. v. Laitram Corp.*, 274 F.3d 1336, 1347 (Fed. Cir. 2001) (examiner presumed to give terms broadest

reasonable interpretation “since he was obliged to do so”); EX1002, 198-200 (Office Action indicating Examiner’s compliance with MPEP rule). Even so, additional evidence shows that the Examiner did in fact consider the related proceedings. Unlike in *Ecto World*, PayRange specifically directed the Examiner to eight particular patent applications challenged at the PTAB and encouraged the review of their records. *See* Req., 13-14 (citing EX1002, 183); *cf.* *Ecto World*, 7 (noting applicant’s failure to point examiner to specific references). While Petitioner downplays this disclosure (Opp., 17), there is evidence that the Examiner reviewed the relevant proceedings because, in the subsequent Notice of Allowance, the Examiner made specific findings relevant to §101 eligibility—an issue raised in those prior proceedings. *See* Req., 17.

The above facts go well beyond those in *Ecto World*. *Ecto World*, 2-3. Here, the evidence demonstrates that the Examiner knew about the applied references even before the ’423 patent’s filing, reviewed arguments and testimony on how they could be combined and applied to related claims, and ultimately determined not to reject the claims. Beyond just characterizing one limitation of the ’423 patent claims as “broader” than the ’614 patent (which PayRange disagrees (POPR, 19-20)) and generally inviting the Director to review its petition (*see* Opp., 11-13), Petitioner identifies no specific teachings in the applied prior art that the Examiner overlooked. *Ecto World*, 6 & n.2 (“[G]eneralized statements as

to the strength of its Petition fail to identify sufficiently a material error.”); *cf.* EX1002, 193 (identifying multiple limitations as basis for allowance). This is insufficient to satisfy Petitioner’s burden. *Ecto World*, 5-6.

Finally, Petitioner’s failure to satisfy its burden in showing material error applies with even more force to the §101 ground. As previously noted, after PayRange pointed to related PTAB proceedings involving §101 issues, the Examiner expressly found that the ’423 patent claims recite limitations “that ***transform[] the abstract idea into patent eligible.***” Req., 16-19 (citing EX1002, 193-94) (emphasis added). This evidences that the Examiner substantively considered §101 and concluded that the claims *did not* necessitate a §101 rejection. This is analogous to situations in which “the Examiner applied the asserted prior art or substantially the same prior art during examination.” *Ecto World*, 6. Under these circumstances, *Ecto World* requires a petitioner to demonstrate “that no reasonable examiner could have found otherwise.” *Id.* Petitioner fails to do so, instead only expressing disagreement with how the Examiner presented his §101 findings and inviting the Director to review its petition. Opp., 15-17.

Petitioner’s attempt to rehash art and arguments already considered by the Office without identifying material error is unduly burdensome on Office resources and prejudicial to PayRange. *Ecto World* therefore supports discretionary denial.

Respectfully submitted,

Date: June 02, 2025

/ Matthew A. Argenti /

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CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing Patent Owner's Reply Brief In Support of Discretionary Denial was served on June 02, 2025, on the Petitioner at the electronic correspondence address of the Petitioner as follows:

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Dated: June 02, 2025

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