Paper No. _____
Filed: June 09, 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. IPR2025-00573
Patent No. 11,481,772

PATENT OWNER'S BRIEF IN SUPPORT OF DISCRETIONARY DENIAL

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I. INTRODUCTION

Pursuant to the Memorandum on Interim Processes for PTAB Workload Management, Patent Owner PayRange LLC hereby requests the Director to exercise her discretion to deny institution of *inter partes* review of U.S. Patent No. 11,481,772 ("the '772 patent"). The petition applies substantially the same art previously considered by the Patent Office, making denial appropriate under §325(d).

This petition is one of four petitions that have been filed by Petitioner Alliance Laundry Systems, LLC against patents owned by PayRange LLC. *See* Pet., 5. It is also the third petition challenging the '772 patent. The first two petitions, filed by two different petitioners, challenged claims 1-20 of the '772 patent. In its preliminary response to those petitions, PayRange disclaimed claims 1-6, 8-10, and 12-20 of the '772 patent, leaving only dependent claims 7 and 11 as the remaining claims. Now, Alliance's petition seeks to again challenge the remaining claims 7 and 11 of the '772 patent based on two grounds asserting obviousness over the prior art. These grounds, however, are substantially premised on art that has already been before the Office. For example, both Low, the primary reference that Petitioner relies on as allegedly teaching the limitations of independent claim 1 (from which claims 7 and 11 depend), and Arora, a secondary reference applied to both claims 7 and 11, have already been before the Office.

Not only were these references disclosed to the Examiner during prosecution of the '722 patent, the Examiner also had before him briefing, evidence, and Board decisions from multiple PTAB proceedings challenging claims from related patents that applied the same art. One of those earlier PTAB proceedings included a rejected ground alleging that Low teaches all limitations of a claim Petitioner argues was "materially identical" to claim 1 of the '772 patent, mirroring Petitioner's attack in the present petition. EX2005, 2 ("Claim 1 of the '614 Patent is materially identical to claim 1 of the '772 Patent."). The previous consideration by the Office of Low and Arora provides a strong basis to deny the petition using the Director's authority under §325(d).

Also providing reason for discretionary denial is the existence of a parallel district court litigation. However, unlike the majority of cases involving parallel litigation, PayRange did not start this fight. Instead, Petitioner chose the route of litigation and chose its forum by filing a declaratory judgment action of noninfringement in district court, knowing full well that PayRange would be compelled to assert its own infringement counterclaims and defend the validity of its patents. Indeed, Petitioner fails to mention that, even before the filing of this petition, Petitioner challenged the validity of the '772 patent claims in a motion to dismiss before the district court. The motion would be decided well before any final written decision here and, if granted, would be dispositive with respect to the

’772 patent. Given the potentially dispositive nature of this motion, another strong basis exists for denying the petition using the Director’s authority under §314(a).

Finally, even if the Office’s previous consideration of the petition grounds or the status of the parallel district litigation do not independently provide a basis for discretionary denial, the totality of the circumstances in this case justify the exercise of such discretion because doing so will ensure the efficient use of Office resources and maintain the settled expectations of the parties. PayRange’s patented technology has been recognized as valid, praised, and licensed by competitors and customers alike. Moreover, in filing its complaint in district court, Petitioner has already chosen its forum for resolving the parties’ disputes, which PayRange has accepted. The Office has already evaluated ample evidence in assessing and confirming the patentability of the claims. Taken as a whole, the circumstances here counsel discretionary denial.

II. BACKGROUND

Founded in 2013, Patent Owner PayRange invented its own mobile payment technology for unattended retail machines, including laundry and vending machines. PayRange’s innovations improve upon legacy retail machines by enabling customers to interact with and buy goods or services from the machines through a specially coded application on their smartphone. EX2001, 15-16. For its breakthroughs, the Office has awarded PayRange with a portfolio of over 60

patents, including the '772 patent. *Id.* Over 30 of those are from the same family at issue here, which has been thoroughly vetted through rigorous prosecution and repeated challenges at the PTAB.

Customers have embraced PayRange's technology and so has the industry. PayRange found success in the laundry and vending industries, attracting significant customers including WASH Multifamily Laundry Systems, LLC. *Id.*, 16. Unfortunately, competitors took notice and improperly copied PayRange's technology, leading PayRange to initiate litigation against a major competitor, Kiosoft Technologies, LLC, and subsequently its major customer, CSC Serviceworks, Inc. *Id.* In response, the parties challenged the validity of PayRange's patents before the PTAB. *Id.* All together, Kiosoft and CSC sought review of ten PayRange-owned patents in thirteen proceedings, including the '772 patent. Of the ten that reached an institution decision, the majority were denied.[1] *See* Pet., 2-4. Two PGR proceedings, brought by Kiosoft, resulted in a final written decision, where the Board determined that the petitioner had failed to show that some of the challenged claims were patent ineligible and had failed to show

[1] Two proceedings were denied institution based on discretionary grounds, while four were denied institution based on the merits.

that any of the challenged claims were anticipated and/or obvious over the prior art. *See Kiosoft Techs., LLC v. PayRange, Inc.*, PGR2021-00093 (hereinafter "the '614 PGR"), Paper 38, 69 (determining claims 1-6, 8-10, 14-15, and 18-25 of U.S. Patent No. 10,891,614 ("the '614 patent") unpatentable and claims 7, 11-13, and 16-17 not unpatentable); *Kiosoft Techs., LLC v. PayRange, Inc.*, PGR2021-00077, Paper 32, 57-58 (determining claim 1 of U.S. Patent No. 10,719,833 unpatentable and claims 2-27 not unpatentable).

In the first half of 2024, PayRange settled its dispute with KioSoft and CSC[2] and reached patent licensing deals with Kiosoft and WASH for PayRange's technology. EX2001, 16-17. In a press release following settlement, Kiosoft's president stated that his company "accept[s] that PayRange has valid claims," "respect[s] the technologies that have helped the self-service industry thrive," and further expressed a continuing commitment to "provid[e] best-in-class service to our customers with [PayRange's] fully-licensed technology." *Id.* Likewise, in a separate press release, WASH's CEO lauded PayRange's technology, stating his

[2] As a result of the parties' settlement, three proceedings brought by Kiosoft were terminated prior to institution and two proceedings brought by CSC were terminated after institution. This included the two proceedings challenging the '772 patent, PGR2023-00042 and IPR2023-01449.

company's "deep respect for the innovations PayRange has brought to elevate the laundry industry." *Id.*, 17. That is, PayRange's customers and even its competitors—some of whom had lodged largely unsuccessful PTAB challenges—ultimately acknowledged the importance of PayRange's inventive contributions as reflected in its patent claims.

In March 2024, PayRange sent Petitioner Alliance a letter providing notice of its potential infringement and inviting it to join the numerous companies that have obtained a license to PayRange's patented technology. *Id.*, 17. In its response, Petitioner provided no indication that it would cease infringement, take a license, or even accept PayRange's invitation for discussions. *Id.*, 18. After subsequent communications where PayRange clarified its position and expressed its desire to engage in further discussion with the intent to seek amicable resolution, Petitioner chose the path of litigation by filing a declaratory judgement action of noninfringement in the United States District Court for the District of Delaware. *Alliance Laundry Systems, LLC v. PayRange Inc.*, 24-cv-733-MN (D. Del., filed June 20, 2024).

III. THE DIRECTOR SHOULD EXERCISE HER DISCRETION TO DENY THE PETITION

The Director should exercise her discretion to deny institution for several reasons. First, the *Advanced Bionics* framework under §325(d) weighs in favor of discretionary denial because the prior art relied upon by Petitioner as allegedly

teaching the vast majority of the claim limitations has been previously considered by the Office. Second, the *Fintiv* framework under §314(a) also weighs in favor of discretionary denial because Petitioner is currently pursuing patent invalidity arguments in a motion to dismiss, which will be addressed by the district court before a final written decision in this proceeding. Third, the Director's memorandum on the interim processes for PTAB workload management further supports discretionary denial. Petitioner has already decided where it would like to litigate the parties' dispute. Splitting issues of invalidity into a second forum of Petitioner's choosing would be an inefficient use of Board resources, especially in view of the Office's previous consideration of substantially the same art and arguments.

Accordingly, for the reasons detailed below, the Director should exercise her discretion to deny institution of the petition.

A. *Advanced Bionics* Weighs in Favor of Discretionary Denial under §325(d)

The Director should exercise her discretion to not institute this challenge under the *Advanced Bionics* framework because (1) the same or substantially the same art or arguments were previously presented to the Office; and (2) Petitioner fails to demonstrate that the Office erred in a material manner. *Advanced Bionics, LLC v. Med-El Elektromedizinische Geräte GMBH*, IPR2019-01469, Paper 6 at 8-9 (precedential). As detailed more below, the petition relies on art and arguments

explicitly considered by the Office, and Petitioner fails to show that the Office erred in a material manner in its prior evaluations.

1. *Advanced Bionics* Step 1

The petition asserts two obviousness grounds against the '772 patent claims based on four references. *See* Pet., 6. Ground 1, which challenges dependent claim 7, relies on a combination of Low and Arora, while Ground 2, which challenges dependent claim 11, adds two additional references, Freeny and Casey. *Id.* Petitioner acknowledges that Low and Arora—which Petitioner relies on for all limitations recited in claim 7 and all but three limitations recited in claim 11—were disclosed in an IDS and considered by the Examiner during prosecution of the '772 patent. *Id.*, 69. This is sufficient to satisfy the first part of the *Advanced Bionics* framework. *Ecto World, LLC v. RAI Strategic Holdings, Inc.*, IPR2024-01280, Paper 13, 3 ("Challenging the claims using the same prior art that was previously presented on an IDS is sufficient to satisfy the first pat of the *Advanced Bionics* framework.").

Moreover, in addition to their consideration in the disclosed IDS, the Examiner also considered Low and Arora as they were applied in previous PTAB proceedings of related patents. As Petitioner acknowledges, the '772 patent is a child patent of, and was terminally disclaimed over, U.S. Patent No. 9,659,296 ("the '296 patent") and U.S. Patent No. 10,891,614 ("the '614 patent"), each of

which were challenged in post-grant proceedings before the Board. *See* Pet., 1-4, 13-14 (citing EX1002, 148-49). As listed below, each of these related patents was challenged in the following review proceedings:

- *Kiosoft Techs., LLC v. PayRange, Inc.*, CBM2020-00026, Paper 2 (CBM petition challenging claims of '296 patent as obvious) (filed Sept. 15, 2020) (institution denied Mar. 22, 2021);
- *Kiosoft Techs., LLC v. PayRange, Inc.*, IPR2021-00086, Paper 3 (IPR petition challenging claims of '296 patent as obvious) (filed Oct. 20, 2020) (institution denied Mar. 22, 2021); and
- *Kiosoft Techs., LLC v. PayRange, Inc.*, PGR2021-00093, Paper 2 (PGR petition challenging claims of '614 patent as anticipated and/or obvious) (filed Jun. 10, 2021) (final written decision issued Dec. 14, 2022).

These previous proceedings involved prior-art challenges that applied the same art used by Petitioner in this proceeding. For example, petitions filed by Kiosoft challenging the '296 patent applied Arora to the claims. *See Kiosoft*, CBM2020-00026, Paper 2, 10; *Kiosoft*, IPR2021-00086, Paper 3, 4. In addition, in the PGR petition filed by Kiosoft, the claims of the '614 patent were challenged as anticipated by or obvious over Low as a primary reference, but the Board found in a final written decision that the petitioner had failed to meet its burden in proving

unpatentability based on the asserted prior-art grounds.[3] *See Kiosoft*, PGR2021-00093, Paper 38, 69.

The Examiner would have been aware of these proceedings during prosecution of the '772 patent. As part of routine examination practice, examiners are "required to review specific papers of PTAB post-grant proceedings in related applications," which include patents forming the basis for a non-statutory double-patenting rejection. M.P.E.P. §904.4. Papers to review include the petition, preliminary response, institution decision, any final written decision, and "[i]f present, [p]arties' supporting evidence, including expert declaration." *Id.* By the time the Examiner issued the Office Action on May 23, 2022, rejecting the claims based on double-patenting in view of the '296 and '614 patents, the Examiner would have reviewed relevant papers associated with each of these proceedings. This would have included the petitions (along with their supporting expert declarations), the institution decisions, and, in the case of the PGR challenging the '614 patent, patent owner's response (and supporting expert declaration). By

[3] None of the proceedings challenging claims of patents related to the '772 patent reached a final written decision finding the claims unpatentable based on prior-art grounds.

the time the Examiner issued the Notice of Allowance on September 16, 2022, the Examiner also would have reviewed the petitioner's reply in the '614 PGR.

Moreover, to ensure that relevant evidence was considered during prosecution, PayRange, in its response to the first Office Action on May 15, 2022, informed the Examiner of related US patent applications having prosecution histories that contained "information relevant to the pending application." EX1002, 178. The '296 and '614 patents were among the applications listed by PayRange. *Id.* (listing application "14/458199," corresponding to the '296 patent and application "15/603400," corresponding to the '614 patent). Thus, in addition to Low and Arora's consideration in an IDS, the Examiner also reviewed and considered documents and expert testimony discussing and applying the same asserted references to claims of related patents, as required by examination practice. *Rexnord Corp. v. Laitram Corp.*, 274 F.3d 1336, 1347 (Fed. Cir. 2001) (regularity of routine administrative procedures is presumed).

Lastly, the Examiner's familiarity with the applied references was not limited to the '772 patent. For example, Arora was known to the same Examiner during prosecution of the '614 patent, where it was listed as the sole reference on an IDS. *See* EX2003, 8. Moreover, Arora's application to the then-pending claims of the '614 patent was discussed during an Examiner-initiated interview. EX2003, 3; *see also id.*, 9 (applicant summary of interview noting that "portions of the

Arora reference identified by the Examiner fail to teach or suggest at least some limitations of the allowed claims" and "[t]he Examiner agreed that the allowed claims appear to be allowable over the Arora reference"). Thus, the Examiner substantively evaluated Arora and considered its application to subject matter claimed by the '772 patent.

Duplicating the failed PGR attack alleging claim 1 of the '614 patent was anticipated or obvious based on Low, Petitioner here relies on Low as teaching all of the limitations of independent claim 1, from which challenged claims 7 and 11 depend. Petitioner also relies on Low and Arora for all of the limitations recited in claim 7 and all but three limitations recited in claim 11. Accordingly, the same references asserted in the petition as teaching the vast majority of the challenged claims were disclosed to the Office for substantive evaluation, and expert testimony on how the references allegedly applied to claims over which the '772 patent claims were terminally disclaimed was also before the Examiner, making Petitioner's grounds and supporting evidence cumulative over what was already considered by the Office. *See Hugel, Inc. v. Medytox Inc.*, IPR2023-00604, Paper 11, 22 (finding step 1 of *Advanced Bionics* satisfied because "although Petitioner relies on two additional references that were not presented to the Examiner, the vast majority of Petitioner's analysis makes the same arguments the Office previously considered regarding Kim '741"); *Becton, Dickinson & Co. v. B. Braun*

Melsungen AG, IPR2017-01586, Paper 8, 17-18 (precedential as to §III.C.5, first paragraph) (considering non-exclusive factors for evaluating discretion under §325(d), including "the similarities and material differences between the asserted art and the prior art involved during examination," "the extent to which the asserted art was evaluated during examination," and "the cumulative nature of the asserted art and the prior art involved during examination"). Thus, the first step of the *Advanced Bionics* framework with respect to Petitioner's grounds is met.

2. *Advanced Bionics* Step 2

Discretionary denial is further warranted under the second step of the *Advanced Bionics* framework because Petitioner has failed to sufficiently point out how the Office erred in its evaluation of the asserted prior art. *See Becton, Dickinson*, IPR2017-01586, Paper 8, 17-18; *Ecto World*, 5 ("[A] petitioner must explain, with reference to *Becton Dickinson* factors (c), (e), and (f), how the Examiner erred in overlooking the prior art.").

Petitioner provides only conclusory statements regarding error. *See* Pet., 70-71. For instance, Petitioner generally asserts that "the Examiner did not evaluate, or erred in its evaluation," of the asserted references or patent eligibility. *Id.* But, as explained above, Petitioner is incorrect that the Examiner did not evaluate the references applied in the petition's obviousness grounds—in addition to considering the references in an IDS, the Examiner substantively evaluated Arora

as it applied to claims of a related patent and presumptively evaluated arguments and evidence applying Low and Arora to related claims. *Supra*, §III.A.1. Moreover, to the extent Petitioner asserts that there was error in the Office's previous evaluation, Petitioner does not explain what that error is. Pet., 70-71. The unsupported assertion of "error" is really just a request that the Board reach a different conclusion than the Examiner.

In addition, as mentioned above, the '772 patent has previously been challenged in two post-grant proceedings brought by two different petitioners. Neither of these proceedings supports a finding that the Office materially erred in its evaluation of Low and Arora. For example, in PGR2023-00042, Kiosoft challenged claims 7 and 11 as obvious based on a combination of Low, Arora, and Casey. *See Kiosoft Techs., LLC v. PayRange, Inc.*, PGR2023-00042, Paper 2, 5. In its preliminary response, PayRange pointed to multiple limitations in which petitioner Kiosoft had failed to show were taught by the references. *See Kiosoft*, PGR2023-00042, Paper 6, 13-35. As acknowledged by Petitioner, this proceeding was terminated before institution and "thus the Board did not evaluate Low, Arora, or Casey, alone or in combination." *See* Pet., 71. Therefore, this prior proceeding cannot provide a basis for establishing material error.

Claim 11 of the '772 patent was also challenged by CSC in *CSC ServiceWorks, Inc. v. PayRange Inc.*, IPR2023-01449. The petition asserted that

claim 11 was obvious over a combination of Zhou, Athwal, Low, Arora, Casey, and Freeny. *CSC ServiceWorks*, IPR2023-01449, Paper 14, 10. While the Board instituted review of claim 11, Petitioner acknowledges that "the proceeding was terminated before the Board reached a FWD." Pet., 71. However, Petitioner goes on to argue that "[t]he Board likely would have found Claim 11 unpatentable based on a combination of prior art involving Low, Arora, Casey, and Freeny (and others)." *Id.* Not only is Petitioner's assertion entirely speculative, it also ignores the basis for the Board's decision to institute, which found that CSC had sufficiently shown that Zhou or Zhou combined with Athwal taught limitations that Petitioner relies on Low and Arora as teaching in its petition. *See CSC ServiceWorks*, IPR2023-01449, Paper 14, 19-26; *see also id.*, 72 (Petitioner acknowledging "the focus of IPR2023-01449 was Zhou, whereas Low is the focus here."). Thus, this prior proceeding also cannot provide a basis for establishing material error in the Office's evaluation of Low and Arora as they apply to claims 7 and 11 of the '772 patent.

Moreover, Petitioner's additional reliance on Casey and Freeny for claim 11 does not provide a basis for establishing material error needed to avoid discretionary denial. Although Casey and Freeny were not disclosed to the Examiner during prosecution of the '772 patent, Petitioner relies on ***Low alone*** as allegedly disclosing all of the limitations of independent claim 1, from which claim

11 depends. *See* Pet., 21 (arguing "Low Discloses All Elements of Claim 1"). As noted above, Low was before the Examiner—both the reference itself and arguments applying the reference to claims of the '614 patent (over which the '772 patent claims were terminally disclaimed). *See Kiosoft*, PGR2021-00093, Paper 38, 69 (finding claim 1 of the '614 patent not unpatentable over Low); *supra*, §III.A.1. Petitioner has argued to the district court that claim 1 of the '772 patent is "materially identical" to claim 1 of the '614 patent (EX2005, 2), and the Examiner was aware of the prior attack based on Low. Because Petitioner cannot show that the Examiner materially erred in his assessment of Low as it applies to claim 1 of the '772 patent, Petitioner's reliance on Casey and Freeny for certain limitations recited in dependent claim 11 fails to establish material error.

Accordingly, step 2 of *Advanced Bionics* weighs in favor of discretionary denial and the Director should exercise her discretion not to institute the petition under §325(d).

B. *Fintiv* Weighs in Favor of Discretionary Denial under §314(a)

The Director should also exercise her discretion to not institute this proceeding under *Fintiv*. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (precedential). As Petitioner admits, parallel district court litigation is ongoing between the parties, but not initiated by PayRange. *See* Pet., 5; *supra*, §II. Instead, after providing notice to Petitioner of its potential infringement and inviting

licensing discussions several times, Petitioner opted to file a declaratory judgment complaint in the United States District Court for the District of Delaware, where Petitioner is currently seeking a judgment of noninfringement of the '772 patent, related U.S. Patent No. 11,966,920 ("the '920 patent"), and related U.S. Patent No. 11,972,423 ("the '423 patent"). Pet., 5; *Alliance Laundry Systems, LLC v. PayRange Inc.*, 24-cv-733-MN (D. Del., filed June 20, 2024). In this parallel litigation, Petitioner is currently requesting the district court to find claim 11 of the '772 patent invalid under §101 for claiming ineligible subject matter. As discussed below, in view of this pending litigation and Petitioner's parallel pursuit of a potentially dispositive validity issue, a holistic consideration of the *Fintiv* factors weighs in favor of discretionary denial because there is a strong likelihood that inefficiencies will occur between the PTAB and the district court. *Fintiv*, Paper 11, 6.

Petitioner contends that the *Fintiv* factors weigh against discretionary denial for several reasons. For example, Petitioner asserts that it "will request a stay of the Delaware Litigation," that "the Delaware Litigation is in a very early stage," and that, given its petition stipulation that it will not pursue any grounds that were raised or could have been raised in the petition, there would be no overlap between the two proceedings. Pet., 58-61. However, in view of a currently pending motion to dismiss filed by Petitioner that is potentially case-dispositive to the claims

challenged in this proceeding, none of these considerations weigh in favor of institution.

More specifically, Petitioner has not requested a stay of the parallel litigation, making *Fintiv* factor 1 weigh in favor of denial. Even if Petitioner were to file a motion to stay, that is no guarantee the court would grant the request. *See, e.g.*, *Inmar Brand Sols., Inc. v. Quotient Tech., Inc.*, No. 1-23-cv-00994, Doc. No. 141 (D. Del. Apr. 4, 2025) (denying stay where PTAB instituted on two patents, but denied as to a third); *Plastic Omnium Advanced Innovation & Research v. Donghee Am., Inc.*, No. 1-16-cv-00187, Doc. Nos. 196, 278 (D. Del. Oct. 27, 2017) (denying motion to stay prior to institution and renewed motion to stay after institution).

Rather than request a stay, Petitioner instead elected to file a motion to dismiss PayRange's counterclaims asserting infringement of certain claims of the '772 patent, '920 patent, and '423 patent. *See* EX2004; EX2005. Briefing has closed and is awaiting scheduling of a hearing per Petitioner's request. *See* EX2006. While Petitioner references this motion in passing (Pet., 59), it fails to mention that its motion seeks to invalidate all asserted claims under §101 for claiming ineligible subject matter. EX2004.

These facts further weigh in favor of discretionary denial under the remaining *Fintiv* factors. For instance, should the district court grant Petitioner's

motion, it would be dispositive of the parties' dispute regarding this patent. *See* EX2004, 3 (requesting dismissal of the '772 patent). A decision on this motion is expected to occur well before any final written decision in this IPR, thus duplicating efforts of both the district court and the Board with regard to validity. As such, while no trial date has been set by the district court, the district court is already assessing the validity of the '772 patent claims. The proximity of and investment involved in the district court's resolution of this potentially dispositive motion supports exercising discretionary denial under factors 2 and 3 of *Fintiv*.

Moreover, with respect to factors 4 (overlap in issues) and 5 (same parties), the dispositive effect given to petitioner stipulations under the 2022 interim guidance has been rescinded by the Office and the litigation involves the same parties. Thus, Petitioner's stipulation is less persuasive under the *Fintiv* framework to support institution.[4] Finally, *Fintiv* factor 6 weighs in favor of denial. As discussed above, Petitioner's grounds are largely premised on references that have been previously considered by the Office, undermining the merits of the petition. While Petitioner generally asserts that "Ground 2 of this Petition (against Claim

[4] In addition, Petitioner only states its stipulation in the petition—Petitioner has yet to file any document with the district court notifying its intent to not pursue grounds that were raised or could have reasonably been raised in the petition.

11) is even stronger than the six-reference combination asserted in IPR2023-01449" (Pet., 61), as will be explained in greater detail in PayRange's preliminary response, the petition suffers from multiple deficiencies that demonstrate that the Office was correct in its evaluation of Low and Arora. Thus, given Petitioner's pending motion, together with the fact that the petition merely relies on art and arguments previously considered by the Office, discretionary denial is warranted under *Fintiv.*

C. Additional Considerations Weigh in Favor of Discretionary Denial

Lastly, even if the frameworks under *Advanced Bionics* and *Fintiv* do not counsel denial on their own, these factors together along with additional considerations weigh in favor of discretionary denial. As outlined in the Director's memorandum providing for interim processes for PTAB workload management, "all relevant considerations" will be evaluated in determining whether to exercise discretionary denial. *See* Memorandum, *Interim Processes for PTAB Workload Management*, 2 (Mar. 26, 2025). In addition to the discretionary considerations enumerated in existing Board precedent, such as *Fintiv* and *Advanced Bionics*, other relevant considerations outlined in the memorandum include compelling economic interests, the settled expectations of the parties, and the extent of the petition's reliance on expert testimony. *Id.* As detailed below, these additional

considerations, together with the considerations discussed above (*supra*, §§III.A-B), support the Director exercising her discretion to deny the petition.

First, the "[s]ettled expectations of the parties" and "[c]ompelling economic … interests" support the Director exercising her discretion to deny institution. *See* Memorandum, 2. As discussed above in Section II, numerous industry participants including PayRange competitors and customers have obtained licenses to PayRange's patents and acknowledged the significance of PayRange's innovations. EX2001, 16-17. These licensees "accept that PayRange has valid claims," "respect the technologies that have helped the self-service industry thrive," express "deep respect for the innovations PayRange has brought to elevate the laundry industry," and plan to "provid[e] best-in-class service to our customers with [PayRange's] fully-licensed technology." *Id.* Thus, PayRange's claimed inventions provide economic benefit not only to PayRange but also to its numerous licensees and the industry at large. The express praise of PayRange's technology as well as repeated licensing of its patents likewise demonstrates a settled expectation that its innovative contributions will continue to enjoy protections.

In addition, the related district court litigation launched by Petitioner also demonstrates settled expectations of the parties and compelling economic interests supporting discretionary denial. As mentioned above, PayRange did not choose to initiate litigation. *Supra*, §II. Instead, consistent with previous decisions from the

Office confirming the patentability of PayRange's technology, PayRange sought to engage in meaningful discussions with Petitioner, including potential to license its technology, like others had done in the industry. Ignoring those invitations, Petitioner instead chose to initiate litigation and, in doing so, Petitioner chose its forum to resolve its dispute: the District Court of Delaware. Petitioner's reasoning for bringing litigation of its dispute into that forum was based, in part, on the court's handling of previous complaints of infringement brought by PayRange. EX2007, 2-3. PayRange has conceded that venue is proper for the purposes of Petitioner's action. EX2001, 2-3.

In bringing its declaratory judgement action, Petitioner fully expected validity to be an issue before the court. By rule, PayRange was compelled to raise any counterclaims arising out of Petitioner's infringing actions, which, in turn, would lead to challenges of invalidity, as evidenced by Petitioner's immediate filing of its motion to dismiss PayRange's counterclaims due to §101 ineligibility. *See* Fed. R. Civ. P. 13(a). Although by the terms of the relevant statute (*see* 35 U.S.C. §325(a)) Petitioner is not strictly barred from filing the instant petition, Petitioner's actions show that it is trying to have it both ways: litigate validity and eligibility in a district court forum of its choosing, while at the same time challenging the validity and eligibility of the patents at the PTAB. However, Petitioner affirmed its desire to litigate and chose where to do it, which PayRange

has accepted. Thus, it is the settled expectations of the parties that their dispute will be resolved before the Delaware District Court, which supports discretionary denial of institution of the petition. Moreover, discretionary denial is also supported by compelling economic interests: it would be an inefficient and wasteful use of resources to ask the Board to weigh in on issues that have been previously considered by the Office, but are also being concurrently considered by the Delaware District Court.

Beyond the settled expectations and economic interests in the industry and arising from Petitioner's litigation, the settled expectations regarding the Office's consideration of the claims of the '772 patent also support discretionary denial. As detailed above, multiple related patents within the '772 patent's priority chain were the subject of multiple proceedings before the PTAB. *See supra*, §III.A. Collectively, these proceedings included briefing and expert testimony relating to the validity of the claims of these related patents using substantially the same art that the petition applies in this proceeding and, in light of that evidence, the '772 patent claims were allowed. *See id.* This is particularly true for the only remaining claims of the '772 patent. While the '772 patent originally issued with twenty claims, all but claims 7 and 11 were disclaimed by PayRange during the two prior post-grant proceedings brought against the patent. These claims recite similar limitations to those recited in claims 7 and 11 of the '614 patent that were found by

the Board to not be unpatentable. *See Kiosoft*, PGR2021-00093, Paper 38, 45-47, 69. As such, by disclaiming all but claims 7 and 11 of the '772 patent, PayRange relied on the Board's assessment of claims 7 and 11 of the '614 patent. Thus, supporting discretionary denial are the settled expectations that the Office has already evaluated the challenged claims and deemed the claims patentable over the extensive evidence that was before it.

Finally, the Director's memorandum also will consider "[t]he extent of the petition's reliance on expert testimony" as part of the discretionary analysis. Memorandum, 2. This consideration further supports discretionary denial here. The petition heavily relies on expert testimony as a means to gap-fill disclosure lacking in the applied references and improperly incorporates argument that should have been raised in the petition. For example, in numerous instances, the petition invokes its expert's testimony to establish the teaching of express claim limitations without corresponding disclosure in the references themselves. *See, e.g.*, Pet., 27 (citing to expert declaration to argue "[a] POSA would understand" that Low teaches claimed interface that "display[s] a visual indication of the one or more payment accepting units"), 27-28 (same for claimed "accept user input selecting an available payment accepting unit"), 30-31 (same for claimed "after establishing the wireless communication path, enabling user interaction"), 34 (same for claimed displaying "an updated user interface"), 50 (same for "visual representation of the

available payment accepting unit"), 53 (stating "[a] POSA would understand" Low's disclosure "strongly implies" claim limitation). The petition also repeatedly relies on its expert's testimony to characterize the proposed combinations as "predictable" or "a simple substitution," but its expert merely parrots the petition's arguments without providing evidentiary support. *E.g.*, Pet., 44-45 (arguing combination of Low and Arora would be "more 'convenient'" and "a simple combination," citing EX1003, ¶¶132-35); EX1003, ¶¶132-35 (stating, "in my opinion," the same, without citing to objective evidence); Pet., 46-47 (same for combination with Freeny, citing EX1003, ¶¶143-45), 48 (same for combination with Casey). Furthermore, Petitioner attempts to bypass the petition's requirement for specificity by incorporating parts of the expert declaration as evidence for "additional rationales" without any explanation. *See* Pet., 45 (stating "[t]he foregoing rationales are exemplary in nature and additional rationales may equally apply as discussed in additional detail in the Declaration of Petitioner's expert Dr. Neuman."), 47 (same). Given Petitioner's extensive reliance on expert testimony, that itself cites to no additional support, discretionary denial is further warranted.

Accordingly, given the totality of the circumstances present in this case, discretionary denial is justified.

IV. CONCLUSION

For at least the reasons above, Patent Owner PayRange respectfully requests that the Director exercise her discretion and deny institution of the petition.

Respectfully submitted,

Date: June 09, 2025

/ Matthew A. Argenti /
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CERTIFICATE OF COMPLIANCE

Pursuant to §42.24(d) and the Director's Memorandum on Interim Processes for PTAB Workload Management, the undersigned certifies that this paper contains no more than 14,000 words, not including the portions of the paper exempted by §42.24(b). According to the word-processing system used to prepare this paper, the paper contains 5723 words.

Respectfully submitted,

Date: June 09, 2025

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V. APPENDIX

Exhibit No.	Description
2001	PayRange Inc.'s Amended Answer to Complaint and Counterclaims, *Alliance Laundry Sys. LLC v. PayRange Inc.*, Case No. 24-733-MN (D. Del.)
2002	*Reserved*
2003	Excerpts from File History of U.S. Application No. 15/603,400 (U.S. Patent No. 10,891,614)
2004	Alliance Laundry Systems LLC's Partial Motion to Dismiss PayRange's Amended Counterclaims, *Alliance Laundry Sys. LLC v. PayRange Inc.*, Case No. 24-733-MN (D. Del.)
2005	Alliance Laundry Systems LLC's Opening Brief in Support of Its Partial Motion to Dismiss PayRange's Amended Counterclaims, *Alliance Laundry Sys. LLC v. PayRange Inc.*, Case No. 24-733-MN (D. Del.)
2006	Alliance Laundry Systems LLC's Request for Oral Argument on Its Motion to Dismiss, *Alliance Laundry Sys. LLC v. PayRange Inc.*, Case No. 24-733-MN (D. Del.)
2007	Alliance Laundry Systems LLC's Complaint for Declaratory Judgment, *Alliance Laundry Sys. LLC v. PayRange Inc.*, Case No. 24-733-MN (D. Del.)

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing Patent Owner's Brief In Support of Discretionary Denial and accompanying Exhibits 2001-2007 were served on June 09, 2025, on the Petitioner at the electronic correspondence address of the Petitioner as follows:

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