Paper No. 7
Filed: July 7, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ALLIANCE LAUNDRY SYSTEMS, LLC,
Petitioner,

v.

PAYRANGE LLC,
Patent Owner.

IPR2025-00573
U.S. Patent No. 11,481,772

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

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Page(s)

CASES

STATUTES

OTHER AUTHORITIES

PETITIONER'S EXHIBIT LIST

Exhibit No.	Description	Publication Date (unless otherwise noted)	Type of Prior Art
1001	USPN 11,481,772 (the '772 Patent) (Patent submitted for *Inter Partes* Review)	December 18, 2013 (earliest possible priority date based on filing of provisional application)	N/A
1002	File History for USPN 11,481,772	N/A	N/A
1003	Declaration of Dr. B. Clifford Neuman Under 37 C.F.R. § 1.68 in Support of Petition for *Inter Partes* Review of the '772 Patent	N/A	N/A
1004	*Curriculum Vitae* of Dr. B. Clifford Neuman	N/A	N/A
1005	USPN 10,210,501 ("*Low*")	July 25, 2013	§ 102(a), (d)
1006	USPN 9,898,884 ("*Arora*")	April 4, 2013	§ 102(a), (d)
1007	USPN 8,958,846 ("*Freeny*")	Aug. 23, 2006	§ 102(a), (d)
1008	USPN 8,255,323 ("*Casey*")	Aug. 28, 2012 (issuance date)	§ 102(a)(1)
1009	PayRange's Statutory Disclaimer of USPN 11,481,772 claims 1-6, 8-10, and 12-20	Filed on November 22, 2023	N/A
1010	USPN 3,457,391 ("*Yamamoto*")	July 22, 1969 (issuance date)	§ 102(a)(1)
1011	USPN 3,931,497 ("*Gentile*")	Jan. 6, 1976 (issuance date)	§ 102(a)(1)
1012	USPN 6,810,234 ("*Räsänen*")	Oct. 26, 2004 (issuance date)	§ 102(a)(1)
1013	US Patent Pub. No. 2003/0172028 ("*Abell*")	Mar. 7, 2002	§ 102(a), (d)

Exhibit No.	Description	Publication Date (unless otherwise noted)	Type of Prior Art
1014	US Patent Pub. No. 2003/0130902 ("*Athwal*")	Nov. 4, 2002	§ 102(a), (d)
1015	Transcript, *Chemours Co. FC, LLC v. Daikin Indus., Ltd.*, 1:17-cv-01612, Dkt. 77, PageID.1319-1351 (D. Del. Jan. 3, 2019).	N/A	N/A
1016	Excerpted Copy of U.S. District Courts—Combined Civil and Criminal Federal Court Management Statistics-Profiles for the Reporting Period ending June 30, 2024, available at https://www.uscourts.gov/data-news/reports/statistical-reports/federal-court-management-statistics/federal-court-management-statistics-june-2024.	N/A	N/A
1017	PayRange Claim Chart for the USPN 11,481,772, attached as Exhibit L to PayRange's Amended Counterclaims in *Alliance Laundry Systems, LLC v. PayRange, Inc.*, 24-cv-733-MN, Dkt. 18, PageID.1404-1416 (D. Del., filed Oct. 4, 2024)	N/A	N/A
1018	US Patent Pub. No. 2018/0374076 ("*Wheeler*")	Dec. 27, 2018	N/A
1019	US Patent Pub. No. 2018/0197167 ("*Ganesan*")	July 12, 2018	N/A
1020	US Patent Pub. No. 2019/0236586 ("*Mei*")	Aug. 1, 2019	N/A
1021	US Patent Pub. No. 2016/0132870 ("*Xu*")	May 12, 2016	N/A
1022	USPN 309,219 ("*Fruen*")	Dec. 16, 1884 (issuance date)	N/A

Exhibit No.	Description	Publication Date (unless otherwise noted)	Type of Prior Art
1023	Exhibit A to PayRange's Amended Counterclaims in *Alliance Laundry Systems, LLC v. PayRange, Inc.*, 24-cv-733-MN, Dkt. 18, PageID.972-985 (D. Del., filed Oct. 4, 2024)	N/A	N/A
1024 (NEW)	**Docket Navigator statistics regarding Judge Noreika decisions on motions to stay pending IPR/PGR**	**N/A**	**N/A**
1025 (NEW)	**Docket Navigator statistics regarding District of Delaware decisions on motions to stay pending IPR/PGR**	**N/A**	**N/A**
1026 (NEW)	**PayRange's Opposition to CSC's Motion to Stay Pending Inter Partes Review, *PayRange Inc. v. CSC ServiceWorks, Inc.*, No. 1:23-cv-00278, Dkt. 59 (D. Del. Feb. 23, 2024)**	**N/A**	**N/A**
1027 (NEW)	***Nuance Comms., Inc. v. MModal, LLC*, No. 1:17-cv-01484, Dkt. 226, (D. Del. Apr. 11, 2019) (Noreika, J.)**	**N/A**	**N/A**
1028 (NEW)	***Waters Corp. v. Agilent Techs., Inc.*, No. 1:18-cv-01450, Dkt. 95 (D. Del. Aug. 6, 2019) (Noreika, J.)**	**N/A**	**N/A**
1029 (NEW)	***PayRange Inc. v. CSC ServiceWorks, Inc.*, No. 23-cv-278, Dkt. 61 (D. Del. Feb. 26, 2024)**	**N/A**	**N/A**

I. INTRODUCTION

Patent Owner's request for discretionary denial should be denied. Denial would be inappropriate under *Advanced Bionics* and Section 325(d), *Fintiv*, and the additional factors set forth in the Patent Office's March 2025 Memorandum, "Interim Processes for PTAB Workload Management" ("March 2025 Memorandum").

First, the challenged patent, U.S. Patent No. 11,481,772 ("the '772 Patent," Ex. 1001) **has never been finally adjudicated by the Board**. The Board previously recognized the weakness of the claims of the '772 Patent when it **instituted IPR** against Claim 11 of the '772 Patent in IPR2023-01449 based on a six-reference combination. *See CSC ServiceWorks, Inc. v. PayRange, Inc.*, IPR2023-01449, Paper 14 at **14-26 (PTAB Apr. 12, 2024). This institution decision followed Patent Owner's disclaimer of most of the claims of the '772 Patent in response to a different challenge. *See* Ex. 1009; *see also KioSoft Techs., LLC v. PayRange Inc.*, PGR2021-00093, Paper 38 (PTAB Dec. 14, 2022). Almost immediately after institution, the parties settled and terminated the proceeding. *See id*., Papers 16, 18. Yet, despite the Board's institution decision and the parties' settlement immediately thereafter, Patent Owner continued to accuse Petitioner Alliance Laundry Systems of infringement. It will be an efficient and valuable use of Board resources to finally

adjudicate the unpatentability of Claims 7 and 11 of the ’772 Patent on even stronger grounds than those presented in IPR2023-01449.

Second, the related District of Delaware litigation[1] does not support denial under the *Fintiv* factors. The Delaware Litigation is at an incredibly early stage and has essentially been paused since late 2024. No discovery has been requested or exchanged, there is no timeline for claim construction proceedings, no case schedule is in place, **and a trial date has not even been set.** Provided this IPR proceeding is instituted, the Board will issue its Final Written Decision well before any trial. And if this proceeding is instituted, there is a high (upwards of **84%**) likelihood that the district court will stay the case.

Finally, additional considerations listed in the March 2025 Memorandum weigh against discretionary denial. Most notably, there are no “settled expectations” that would support discretionary denial. The ’772 Patent only issued in October 2022—less than 2.5 years before the Petition was filed. And in the short time since issuance, Patent Owner disclaimed the majority of its claims, and the Board previously instituted IPR of one of the remaining claims. This short passage of time

[1] *Alliance Laundry Systems LLC v. PayRange Inc.*, No. 1:24-cv-00733 (D. Del. Jun. 20, 2024) (“Delaware Litigation”).

and these additional events undercut any suggestion of "settled expectations" in the patentability of the remaining Claims 7 and 11 of the '772 Patent.

Patent Owner should have refrained from asserting infringement of the '772 Patent after nearly identical claims were invalidated in a related PGR, after Patent Owner disclaimed nearly all claims as a result, and after the Board previously instituted IPR of the only asserted claim that remains. It did not. It is an appropriate use of Office resources to institute IPR here "to ensure that [Patent Owner] does not take action inconsistent with the judgment in a prior Office proceeding" and to finally adjudicate the patentability of the two remaining claims of this young patent. *E.g.*, *POSCO Co., Ltd. v. ArcelorMittal*, IPR2025-00370, Paper 10 at **2–3 (PTAB June 25, 2025).

For these reasons, and as further explained below, Petitioner respectfully requests that the Director deny Patent Owner's request to discretionarily deny institution and refer the Petition to a merits panel for consideration.

II. BACKGROUND

A. Prior Challenges to the '772 Patent

Patent Owner argues that the present Petition should be discretionarily denied because it is the third petition challenging the '772 Patent, with the two prior petitions being filed by two different petitioners. DD Req., Paper 6 at 1. But Patent Owner ignores that neither proceeding reached a final written decision: one of the

prior proceedings was terminated due to settlement pre-institution and the other was terminated **after the PTAB instituted IPR** of Claim 11 under 35 U.S.C. § 103 based on a *six-reference* combination. Accordingly, although the Board previously found "a reasonable likelihood" that Claim 11 would be found unpatentable, it has never reached a final written decision in any prior challenge to the '772 Patent. Far from being a reason that would support discretionary denial, the prior challenges demonstrate why discretionary denial would be inappropriate here, and why the Board should finally determine the unpatentability of the two remaining claims of the '772 Patent.

B. Patent Owner's Patent Assertion Campaign

Beginning in early 2020, Patent Owner began an aggressive campaign of patent litigation against companies that make, use, sell, or develop mobile payment systems, including KioSoft Technologies, LLC ("KioSoft") and CSC ServiceWorks, Inc. ("CSC"). A complete overview of Patent Owner's prior proceedings is included in the Petition, Paper 1, at **1–4. Petitioner below highlights certain history that bears directly on issues of discretionary denial.

1. Patent Owner's Lawsuits Against KioSoft

In response to infringement complaints filed by Patent Owner, KioSoft sought post-grant review against several patents in the same family as the '772 Patent, including U.S. Pat. No. 10,891,614 ("the '614 Patent"). *See KioSoft Techs., LLC v.*

PayRange Inc., PGR2021-00093, Paper 2 (PTAB Jun. 10, 2021); *see also PayRange Inc. v. KioSoft Technologies, LLC et al.*, No. 1:20-cv-20970 (S.D. Fla.); *PayRange Inc. v. KioSoft Technologies, LLC et al.*, No. 1:20-cv-24342 (S.D. Fla.). In PGR2021-00093, the PTAB issued a final written decision, finding Claims 1–6, 8–10, 14–15, and 18–25 of the '614 Patent ineligible under 35 U.S.C. § 101. *Id.*, Paper 38. While the PTAB found that *Low* did not anticipate Claim 1 of the '614 Patent, its conclusion was based on *Low's* supposed failure to teach a limitation that is **not recited** in Claim 1 of the '772 Patent, from which both Claims 7 and 11 depend. *Id.* at **61–65 (finding *Low* does not disclose "detecting predefined radio messages broadcast by the one or more payment accepting units").

Following that decision, KioSoft sought post-grant review of the '772 Patent. *See KioSoft Techs., LLC v. PayRange Inc.*, PGR2023-00042, Paper 2 (PTAB Jul. 25, 2023). Recognizing that the claims of the '772 Patent were ineligible for the same reasons that the PTAB found the claims of the '614 Patent ineligible, on November 22, 2023, Patent Owner statutorily disclaimed Claims 1-6, 8-10, and 12-20 of the '772 Patent. *See* Ex. 1009. Subsequently, before the PTAB could institute post-grant review of remaining Claims 7 and 11 of the '772 Patent, the parties filed a joint motion to dismiss. *See KioSoft Techs.*, PGR2023-00042, Paper 7 (PTAB Feb. 5, 2024); *id.*, Paper 9 (PTAB Feb. 6, 2024).

2. Patent Owner's Lawsuits Against CSC

In response to infringement complaints[2] filed by Patent Owner, CSC sought *inter partes* review of the '772 Patent and several other patents in the same family. *See CSC ServiceWorks*, IPR2023-01449, Paper 1. Patent Owner subsequently filed the aforementioned statutory disclaimer on November 22, 2023 disclaiming Claims 1-6, 8-10, and 12-20 of the '772 Patent. *See* Ex. 1009.

Despite Patent Owner making many of the same discretionary denial arguments as it has in this proceeding (*see CSC ServiceWorks*, IPR2023-01449, Paper 7 (sealed POPR) (PTAB Jan. 18, 2024); *id*., Ex. 1011 (redacted POPR) at 11–16), the Board instituted *inter partes* review of Claim 11 of the '772 Patent under 35 U.S.C. § 103 based on a six-reference combination. *Id*., Paper 14 at **14–26. The present Petition is stronger than the instituted IPR2023-01449 as it only relies on a combination of four prior art references, as opposed to six, which simplifies and strengthens the motivation-to-combine analysis. *See, e.g.*, Pet. at **41–57.

As to Patent Owner's discretionary denial arguments in IPR2023-01449, the Board found that "Patent Owner's concerns of fairness are outweighed by the benefits to the patent system of improving patent quality by reviewing the merits of the challenges raised in the petitions, which have not been addressed to date." *CSC*

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[2] *See* Pet. at **3–4.

ServiceWorks, IPR2023-01449, Paper 14 at *11 (quoting *Code200, UAB v. Bright Data, Ltd.*, IPR2022-00861, Paper 18, at *5 (PTAB Aug. 23, 2022) (precedential)). Less than two weeks after institution, the parties filed a joint motion to terminate and the PTAB subsequently terminated the proceeding. *See id*., Papers 16, 18. Thus, the PTAB was not able to "improv[e] patent quality by reviewing the merits of the challenges raised in the petitions," and any challenges to the '772 Patent still "have not been addressed to date." *Id*., Paper 14 at *11.

C. In 2024, Patent Owner's Aggressions Turned Towards Petitioner

Patent Owner argues that it "did not start this fight," claiming "Petitioner chose the route of litigation." DD. Req. at *2. That argument mischaracterizes the history of this dispute.

Despite Petitioner *granting Patent Owner a license* to make Patent Owner's own products compatible with Petitioner's machines, Patent Owner began a campaign of aggression against Petitioner in early 2024. On March 14, 2024, Patent Owner sent a letter accusing Petitioner of infringing a number of patents, including the '772 Patent. *See* Ex. 2007, Declaratory Judgment Complaint, ¶ 51. Petitioner responded on April 25, 2024, explaining why Petitioner has not and does not infringe, and also why the identified claims were likely to be found invalid or unpatentable. *Id*. ¶ 55. Patent Owner sent Petitioner another letter on May 17, 2024—after the Board had previously instituted IPR against the '772 Patent—

disagreeing with Petitioner's arguments and maintaining that Petitioner infringed. *Id*. ¶¶ 57–58. After Petitioner acknowledged receipt of the letter via email on May 31, 2024, Patent Owner sent another letter on June 12, 2024, threatening: "If Alliance does not promptly engage in negotiations with PayRange, we will assume that it prefers to resolve this matter in litigation." *Id*. ¶ 61. Again, Petitioner acknowledged receipt on June 14, 2024, but Patent Owner continued to harass Petitioner with an email on June 19, 2024, stating that Patent Owner will be forced "to address this matter through litigation." *Id*. ¶ 65. Petitioner filed its Declaratory Judgment Complaint the next day. *Id*.

Thus, contrary to its characterizations, ***Patent Owner*** started this fight by ignoring the serious infringement and invalidity problems plaguing its allegations and instead threatening meritless litigation. In the face of Patent Owner's belligerence, Petitioner reasonably filed its action for declaratory judgment of non-infringement. *Id*. The District of Delaware is an efficient forum for Petitioner's non-infringement claim: that Court previously heard multiple cases involving Patent Owner and is already familiar with its patents.

Patent Owner thereafter confirmed that its aggressive threats to bring suit were not empty: just four calendar days after Petitioner filed its Complaint, Patent Owner sued two other defendants for patent infringement in the Western District of Texas. *See* Pet. at *5.

III. DISCRETIONARY DENIAL IS NOT WARRANTED

A. Discretionary Denial Under 35 U.S.C. § 325(d) and *Advanced Bionics* is Not Warranted

Advanced Bionics provides a two-part framework for evaluating whether denial under Section 325(d) is warranted: (1) whether the same, or substantially the same, prior art or arguments were previously presented to the Office; and (2) if the first prong is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of the challenged claims. *See, e.g.*, *Advanced Bionics, LLC v. MED-EL Elektromedizinishe Gerate Gmbh*, IPR2019-01469, Paper 6, at **7–8 (PTAB Feb. 13, 2020); *see also Ecto World, LLC v. RAI Strategic Holdings, Inc.*, IPR2024-01280, Paper 13, at **2-4 (PTAB May 19, 2025) (precedential as to Section A). The factual inquiry is guided by six *Becton, Dickinson* factors. *Id*. (citing *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 (PTAB Dec. 15, 2017)).

Here, Petitioner does not dispute that two of the prior art references relied upon in the Petition—*Low* and *Arora*—were submitted by Patent Owner during examination, in an IDS that contained ***more than four hundred (400) references***. *E.g.*, Ex. 1002, pp. 185, 188; Pet. at *69. However, the remaining two references—*Freeny* and *Casey*—were not presented during prosecution and are relied upon in the Petition for three of the limitations of Claim 11. Accordingly, under prong one

of the *Advanced Bionics* analysis and *Becton, Dickinson* Factor (a), only two of the references were technically previously presented to the Office, while the other two were never presented. *See Microsoft Corp. v. ParTec Cluster Competence Center GmbH*, IPR2025-00318, Paper 9 (PTAB Jun. 12, 2025) (denying request for discretionary denial where one reference was presented to the Office, but two references were not, and petitioner provided persuasive evidence that the Office erred by overlooking the teachings of the combinations). Regarding the two references that were presented to the Office, Petitioner properly demonstrates below that the Office erred in a manner material to the patentability of the challenged claims, including that the other *Becton, Dickinson* factors weigh against discretionary denial. *See Ecto World*, IPR2024-01280, Paper 13, at **2-4.

1. The Board Has Never Reached a Final Written Decision Regarding the Patentability of the Claims of the ’772 Patent

As an initial matter, Patent Owner attempts to characterize the present Petition as a serial petition, which should be discretionarily denied because the ’772 Patent ***family*** has allegedly been “thoroughly vetted through rigorous prosecution and repeated challenges at the PTAB.” DD. Req. at **3–4. Not so. The ’772 Patent has been challenged only twice before, and although the Board instituted once, in both cases the proceedings were terminated before the Board could reach a final written decision. *See Kiosoft*, PGR2023-00042, Papers 7, 9 (terminated pre-institution);

CSC ServiceWorks, IPR2023-01449, Paper 14 at *26 (granting institution and finding there was "a reasonable likelihood that claim 11 is unpatentable" over a six-reference combination"). Accordingly, the unresolved question of the unpatentability of the claims of the '772 Patent posed by two prior proceedings and the present Petition demonstrates that this question remains an outstanding issue that should be adjudged by the PTAB and that discretionary denial is not appropriate. Further, while there are similar limitations between the claims of the '772 Patent and related patents that have been previously challenged, this fact alone does not provide a basis to discretionarily deny the present Petition challenging the '772 Patent. *See Comair Rotron, Inc. v. Nippon Densan Corp.*, 49 F.3d 1535, 1539 (Fed. Cir. 1995) ("[S]eparate patents describe separate and distinct inventions…and it cannot be presumed that related patents rise and fall together") (internal quotations omitted).

Patent Owner has not cited any authority, and Petitioner is not aware of any, that would support Patent Owner's argument that a party's challenge to a predecessor patent forecloses any post-grant challenges to a successor patent by a different party. *See* DD Req. at **8–10. Rather, "[w]hile evidence of invalidity regarding the claims of one patent may certainly apply to those of another, a party may not avoid its burden of proof by making a blanket statement that its proofs with respect to one patent apply to another and not provide a formal analysis as to why that is true." *Enzo Biochem, Inc. v. Calgene, Inc.*, 188 F.3d 1362, 1378–79 (Fed. Cir.

1999). That is precisely what Patent Owner attempts to do here – impute the outcomes of challenges to earlier, related patents to the '772 Patent, which Petitioner was not a party to, without any analysis as to why that should be true. The Director should reject this argument, which would reflect a sea change in patent law generally and post-grant review practice specifically.

Further, Patent Owner falsely argues that "the prior art relied upon by Petitioner as allegedly teaching the vast majority of the claim limitations has been previously considered by the Office." DD Req. at **6–7. Again, the Board has never considered the patentability of the claims of the '772 Patent in a final written decision. Instead, in the lone challenge to the '772 Patent that reached institution, the Board found there was "a reasonable likelihood that claim 11 is unpatentable over Zhou, Athwal, Low, Arora, Casey, and Freeny." *CSC ServiceWorks*, IPR2023-01449, Paper 14 at *26. The present Petition is stronger than the petition in IPR2023-01449 by removing the superfluous reliance on *Zhou* and *Athwal* as *Low* subsumes the teachings of these two references. *See* Pet. at **20–57. Accordingly, Patent Owner's argument actually supports institution here as the PTAB instituted *inter partes* review against Claim 11 of the '772 Patent based on a six-reference combination in IPR2023-01449, but it did not get the opportunity to determine the validity of this claim as the parties terminated the proceeding before a final written decision could be reached. The PTAB is now given that opportunity here based on

a stronger, four-reference combination, and Petitioner respectfully requests that the PTAB take it.

Because neither the PTAB nor any other forum have finally adjudicated the validity or patentability of the challenged claims, this factor weighs against discretionary denial. *E.g.*, March 2025 Memorandum.

2. The Examiner Did Not Properly Evaluate the Asserted Art During Examination

Becton, Dickinson Factors (a) and (c) consider "(a) the similarities and material differences between the asserted art and the prior art involved during examination" and "(c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection." *Becton, Dickinson*, IPR2017-01586, Paper 8 at *17; *see also Advanced Bionics*, IPR2019-01469, Paper 6 at *8; *Ecto World*, IPR2024-01280, Paper 13, at *5. During prosecution, the '772 Patent faced only a non-statutory double-patenting rejection. *See* Ex. 1002, pp. 148–49. Only four references were discussed by the Examiner during prosecution,[3] none of which are relied upon in the Petition.

[3] *Wheeler* (U.S. Pub. No. 2018/0374076), *Ganesan* (U.S. Pub. No. 2018/0197167), *Mei* (U.S. Pub. No. 2019/0236586), and *Xu* (U.S. Pub. No. 2016/0132870). Notably, all of these references may not even qualify as prior art as their earliest priority dates are ***after*** the '772 Patent's earliest claimed priority date of December 18, 2013. *See* Exs. 1018, 1019, 1020, 1021; *see also* MPEP § 211.05.

While two of the prior art references relied upon in the Petition—*Low* and *Arora*—were submitted as part of an IDS containing more than four hundred references, the Examiner signed this IDS as "considered" just ***ten days*** after it was submitted. Ex. 1002, pp. 185, 188, 2111–21. Thus, while *Low* and *Arora* may technically constitute the "same art" under Factor (a), this does not weigh meaningfully against institution, as the Examiner "merely signed the [IDS] without explaining why he disagreed with the [prior art at issue]." *Apple Inc. v. Seven Networks, LLC*, IPR2020-00285, Paper 10, at *30 (PTAB July 28, 2020); *Samsung Elecs. Co. v. Power2B, Inc.*, IPR2021-01190, Paper 11, at *19 (PTAB Jan. 6, 2022); *Ecto World*, IPR2024-01280, Paper 13, at **6–7.

Furthermore, *Freeny* and *Casey* were not presented during prosecution and are relied upon for three of the limitations of Claim 11. This clearly weighs against discretionary denial. *See, e.g.*, *Microsoft*, IPR2025-00318, Paper 9 (denying request for discretionary denial where two references relied upon in the Petition were not presented to the Office but one reference was); *Apple*, IPR2020-00285, Paper 10 at *31.

Moreover, the asserted prior art "was not a basis for rejection during examination." *See Ecto World*, IPR2024-01280, Paper 13, at *5. And the asserted prior art "is not substantially the same as prior art the Examiner applied." *Id*. Rather, the Examiner did not "apply" any art (only a non-statutory double-patenting

rejection), and Patent Owner does not contend otherwise, or argue that the asserted art is cumulative of the references mentioned during prosecution. *See, e.g.*, Ex. 1002, pp. 148–49.

Patent Owner attempts to sidestep this factor by contending the "Examiner also considered Low and Arora as they were applied in previous PTAB proceedings of related patents." DD. Req. at *8. But Patent Owner has no evidence that the Examiner actually considered each of the references or the prior PTAB proceedings, and instead leaps to that assumption based on a provision in the MPEP. DD. Req. at *10 (citing MPEP § 904.4). In fact, ***Patent Owner never disclosed the existence of PTAB proceedings of related patents in any information disclosure statement or otherwise during prosecution.*** *See* Ex. 1002 at 178 (in its *McKesson* Statement, only referring Examiner to "art made of record, office actions, and notices of allowance" for other pending applications); 182–192 (omitting PTAB proceedings from IDS). Indeed, many of the proceedings were pending at the time of the IDS, yet Patent Owner did not identify them for the Examiner. *Compare, e.g.*, Ex. 1002 at 178-179 (Response to Office Action, and *McKesson* Statement, filed **March 14, 2022**) *with* CBM2020-00026 (CBM challenge to parent patent 9,659,296 filed **September 15, 2020**); IPR2021-00086 (IPR challenge to parent patent 9,659,296 filed **October 20, 2020**); PGR2021-00077 (PGR challenge to parent patent 10,719,833 filed **April 21, 2021**); PGR2021-00084 (PGR challenge to parent patent 10,891,608 filed **May 27,**

2021); PGR2021-00093 (PGR challenge to parent patent 10,891,614 filed **June 10, 2021**). That Patent Owner failed to inform the Examiner of the numerous challenges to related patents, none of which were brought by Petitioner, weighs against discretionary denial, not for it.

Not only does this failure contradict Patent Owner's statements regarding the relevancy of these proceedings, it is also unreasonable to assume that the Examiner would review proceedings that were never brought to their attention. Simply put, Patent Owner's reliance on "routine examination practice" is insufficient to establish that the Examiner even knew about these other proceedings, let alone considered and evaluated their contents. DD Req. at *10. Regardless, "even though [some of] the asserted prior art [was] listed on an IDS, the Examiner did not issue any prior art rejections during examination," which was a material error that weighs against discretionary denial. *Ecto World,* IPR2024-01280, Paper 13, at **5–6.

Additionally, Patent Owner relies heavily on the prior '614 Patent PGR to support its argument and attempts to characterize Petitioner's statement made in its Motion to Dismiss under 35 U.S.C. § 101 in the Delaware Litigation that "Claim 1 of the '614 Patent is materially identical to claim 1 of the '772 Patent" as equally applying to Sections 102 and 103. *See, e.g.*, DD Req. at **10-11 (discussing '614 Patent PGR institution decision); *Id.* at 2 (quoting Ex. 2005 at 2). However, these statutory provisions are separate and distinct with unique requirements and analyses

for each. *See Bilski v. Kappos*, 561 U.S. 593, 602 (2010) ("The § 101 patent-eligibility inquiry is only a threshold test" and "in order to receive the Patent Act's protection the claimed invention must also…be novel, see § 102, nonobvious, see § 103, and fully and particularly described, see § 112.").

In the '614 Patent PGR, the Board found that Petitioner had not shown that *Low* taught limitation [1.3] of the '614 Patent. *E.g.*, *KioSoft Techs.*, PGR2021-00093, Paper 38 at *64 ("After a full trial and having considered all of the parties' arguments and evidence, we determine that Petitioner has failed to show by a preponderance of evidence that Low discloses or teaches 'the identifying including detecting predefined radio messages broadcast by the one or more payment accepting units,' as recited in the independent claims."). But the corresponding limitation [1.3] of the '772 Patent is considerably ***broader*** than the corresponding limitation [1.3] of the '614 Patent:

'614 Patent Claim 1	**'772 Patent Claim 1**
Limitation [1.3]	**Limitation [1.3]**
the identifying including detecting predefined radio messages broadcast by the one or more payment accepting units	the identifying ~~including detecting predefined radio messages broadcast by~~ **based at least in part on an identifier corresponding to** the one or more payment accepting units

See Ex. 1011; *KioSoft Techs.*, PGR2021-00093, Paper 38 at **61-65.

Under Section 101, Claim 1 of the ’614 Patent is indeed “materially identical” to Claim 1 of the ’772 Patent, and Petitioner cancelling Claim 1 of the ’772 Patent in response to the PTAB finding Claim 1 of the ’614 Patent ineligible under Section 101 proves as much. *See KioSoft Techs.*, PGR2021-00093, Paper 38; Ex. 1009. Accordingly, these differing limitations do not materially impact the patent eligibility of the ’772 Patent claims under Section 101.

However, the Board’s prior finding that *Low* fails to disclose the narrower “identifying including detecting predefined radio messages broadcast” limitation [1.3] in the ’614 Patent has little bearing on the claims of the ’772 Patent, ***which lack this limitation.*** *See* Ex. 1011; *see also, e.g., KioSoft Techs.*, PGR2021-00093, Paper 38 at **61-62 (finding that “Petitioner does not identify clearly and unambiguously what it contends to be the recited ‘predefined radio messages broadcast [by a vending machine].’”). Indeed, the Board specifically contrasted this narrower language of the ’614 Patent with broader language similar to that found in limitation [1.3] of the ’772 Patent. *See id.* at *62 (“[T]he claim [of the ’614 Patent] requires there to be a predefined message broadcast by the payment accepting unit (the vending machine), ***not some general identifying action by the server***.”) (emphasis added).

By contrast, the Petition here demonstrates in great detail how *Low* teaches this broader limitation [1.3] of the ’772 Patent. Pet. at **23–25; *see also Ecto World*, IPR2024-01280, Paper 13, at *5 (considering whether asserted art “includes specific

teachings that impact patentability of the challenged claims"); *Microsoft Corp.*, IPR2025-00318, Paper 9 (finding "persuasive evidence that the Office erred in a manner material to the patentability of the challenged claims by overlooking the teachings" of the prior art). Accordingly, that a prior petitioner failed to prove *Low* teaches a narrower limitation ***not present*** in the claims of the '772 Patent does not favor discretionary denial. *See, e.g.*, *Embody, Inc. v. Zimmer Biomet Holdings, Inc.*, IPR2025-00248, Paper 13 at 2 (PTAB June 26, 2025) (declining to discretionarily denial under 35 U.S.C. § 325(d) where Petitioner sufficiently demonstrated that two references not previously considered taught the key limitation); *see also, e.g., Tesla, Inc. v. Charge Fusion Techs., LLC*, IPR2025-00152, Paper 11 at 2 (June 12, 2025) (finding that discretionary denial under § 325(d) was not appropriate where petitioner demonstrated that the examiner overlooked the prior art's teachings, and thus erred in a manner material to patentability).

The facts of this proceeding are distinguishable from recent decisions exercising discretionary denial based on the same petitioner's prior challenges to related patents. For example, in *Comcast Communications, LLC v. Entropic Communications, LLC*, IPR2025-00183, Paper 11 at *2 (PTAB June 25, 2025), the petition was discretionarily denied due, in part, to denials of the **same petitioner's** prior challenges to a related patent having "similar claims to those in the challenged patent." And the differences between the earlier and later challenged claims were

insignificant from a patentability perspective. Specifically, compared to Claim 1 of the earlier challenged patent (U.S. Pat. No. 10,135,682), Claim 1 of the later challenged parent patent (U.S. Pat. No. 9,866,438) simply recited plural rather than singular terms (e.g., by replacing "each" and "respective" with "a plurality of", replacing "modem" with "modems", replacing "metric" with "metrics", and replacing "parameter" with "parameters"). The remaining claim limitations remained the same between the two claims.

The same is true of the recent decision in *Azurity Pharmaceuticals, Inc. v. Exelixis, Inc.*, IPR2025-00427, Paper 13 at *2 (PTAB July 2, 2025), where the petition was discretionarily denied due, in part, to a denial of the **same petitioner's** prior challenge to a related patent. In *Azurity*, the claims of the earlier challenged patent (U.S. Pat. No. 11,298,349) and the claims of the later challenged patent (U.S. Pat. No. 12,128,039) all recited the exact same pharmaceutical Compound IB. Thus, the Acting Director found that the related patents in these cases recited similar enough claim limitations to the challenged patents to warrant discretionary denial as "it would not be an efficient use of Office resources to revisit substantially similar arguments that have already been adjudicated." *Azurity*, IPR2025-00427, Paper 13 at *2.

In contrast to *Comcast* and *Azurity*, the challenged claims of the '772 Patent contain an important difference under the Section 103 standard compared to the

claims of the ’614 Patent (i.e., limitation [1.3] reciting “predefined radio messages” in the ’614 Patent, but reciting the broader “based at least in part on an identifier” limitation in the ’772 Patent). That difference formed the basis for the Board’s conclusion that the ’614 Patent claims were not unpatentable. *See KioSoft Techs.*, PGR2021-00093, Paper 38 at **61–65. The patentability of limitation [1.3] of the ’772 Patent (i.e., “based at least in part on an identifier”) has not “already been adjudicated.” *Azurity*, IPR2025-00427, Paper 13 at *2. Additionally, the prior challenges to the ’772 Patent family were filed by other parties unrelated to Petitioner, further weighing against discretionary denial. *See Comcast*, IPR2025-00183, Paper 11 at *2 (noting the disfavored “practice of the ***same party*** filing multiple petitions challenging the same patent”) (emphasis added); *Azurity*, IPR2025-00427, Paper 13 at *2 (identifying earlier challenges brought by the same petitioner). *Comcast* and *Azurity* do not support discretionary denial.

3. There is No Overlap Between the Art in the Petition and the Art Actually Considered by the Examiner

Becton, Dickinson Factors (b) and (d) consider “(b) the cumulative nature of the asserted art and the prior art evaluated during examination” and “(d) the extent of the overlap between the arguments made during examination and the manner in which the Petitioner relies on the prior art or Patent Owner distinguishes the prior art.” *Becton, Dickinson*, IPR2017-01586, Paper 8 at **17–18. *Freeny* and *Casey*

were never even of record during prosecution, and the combination of *Low*, *Arora*, *Freeny*, and *Casey* was not considered by the Examiner as there were no anticipatory or obviousness-based rejections against the '772 Patent during prosecution. *See* Ex. 1002, pp. 148–49. Accordingly, these references cannot be cumulative of the art evaluated by the Examiner and/or cited in an Office Action, and Patent Owner has not asserted, much less demonstrated, that *Low*, *Arora*, *Freeny*, and/or *Casey* are cumulative with any prior art references evaluated by the Examiner.

Further, the present Petition asserts unpatentability based on obviousness which does not overlap with the double-patenting rejection issued during prosecution. Thus, *Becton, Dickinson* Factors (b) and (d) strongly weigh against discretionary denial.

4. The Examiner's Prior Art Analysis Was Erroneous

Becton, Dickinson Factors (e) and (f) consider "(e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art;" and "(f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments." *Id*.; *see also Advanced Bionics*, IPR2019-01469, Paper 6 at *8; *Ecto World*, IPR2024-01280, Paper 13, at **5-6.

During prosecution, "even though [some of] the asserted prior art [was] listed on an IDS, the Examiner did not issue any prior art rejections during examination."

Ecto World, IPR2024-01280, Paper 13, at **5–6. The Examiner's failure to appreciate the teachings of the prior art references relied upon in the instant Petition relative to the claims of the '772 Patent demonstrates that "the Examiner materially erred by overlooking certain teachings in the prior art on the IDS." *Id*.; *see also Advanced Bionics*, IPR2019-01469, Paper 6 at *8 n.9. The Petition demonstrates how *Low* alone teaches nearly every limitation of every Challenged Claim, including all limitations of Claim 1, from which Claims 7 and 11 depend, and how *Arora*, *Freeny*, and *Casey* teach the trivial claimed features not expressly taught by *Low*. *See, e.g.*, Pet. at **20–56. Thus, the Examiner committed a material error that weighs against discretionary denial by misapprehending or overlooking *Low*, *Arora*, and their teachings, even though they were cited in a voluminous IDS. Ex. 1002, pp. 185, 188.

Further, Patent Owner's reliance on *Hugel, Inc. v. Medytox Inc.*, IPR2023-00604, Paper 11 (PTAB Aug. 28, 2023) is misplaced. In *Hugel*, the petitioner relied on a primary reference that was presented to the Examiner during prosecution and which the Examiner relied on in rejecting the claims under 35 U.S.C. § 103. *Id*. at *22. Although the *Hugel* petitioner "relie[d] on two additional references that were not presented to the Examiner, the vast majority of Petitioner's analysis [made] the same arguments the Office previously considered regarding" the primary reference. *Id*. Here, the Examiner did not provide any analysis or make any arguments during

prosecution of the ’772 Patent regarding *Low*, the primary reference relied on in the Petition; there were no prior-art based rejections at all. *See* Ex. 1002, pp. 148–49.

Moreover, a recent decision considered a similar scenario to *Hugel* and ruled that discretionary denial was ***not*** appropriate. *See Microsoft Corp. v. ParTec Cluster Competence Center GmbH*, IPR2025-00318, Paper 9 (PTAB Jun. 12, 2025). In *Microsoft*, the petitioner relied on the same primary reference that was used to reject claims of the challenged patent under 35 U.S.C. § 102, as well as two secondary references that were not presented to the Office. IPR2025-00318, Paper 9 at **2–3. “Although the patent examiner eventually allowed the claims over [primary reference], Petitioner [Microsoft] explain[ed] ‘how the Examiner erred in overlooking the prior art.’” *Id*. (quoting *Ecto World*, IPR2024-01280, Paper 13 at 5). Specifically, the Director found that the petitioner provided “persuasive evidence that the Office erred in a manner material to the patentability of the challenged claims by overlooking the teachings of” the secondary references “and the ***combined teachings*** of” the primary reference with the secondary references. *Id*. (emphasis added). Here, *Low* was never relied upon in a rejection against any claim of the ’772 Patent, let alone in an anticipatory rejection like in *Microsoft*. However, even if it had been relied upon, the ***combined teachings*** of *Low*, *Arora*, *Freeny*, and *Casey* were overlooked by the Examiner, demonstrating a material error to the patentability of the challenged claims. *Id*.

Finally, as to *Becton Dickson* Factor (f), the voluminous IDS containing the asserted prior art weighs against discretionary denial. *See Ecto World*, IPR2024-01280, Paper 13, at **6-7. The IDS contained 415 references, which is more than sixteen times the size of a typical IDS, and Patent Owner did not identify any particular reference to which the examiner should pay particular attention. *See id.* Indeed, despite prosecution of this application lasting less than a year and receiving only a single office action (with only an ODP rejection), the file wrapper contains more than ***2,200*** pages, largely made up of voluminous non-patent literature. *See* Ex. 1002. And in addition to the thousands of pages of non-patent literature in the file wrapper for the '772 Patent, and the 400+ references submitted via IDS, Patent Owner alleges the Examiner reviewed the complete filings for several post-grant proceedings (comprising thousands of pages) of patents related to the '772 Patent, despite Patent Owner never making the Examiner aware of these proceedings. That the Examiner erred when they missed the proverbial needle in a haystack is a material error that weighs against discretionary denial.

For similar reasons, Patent Owner's reliance on its disclosure of the prior prosecution histories for patents related to the '772 Patent to the Examiner is an overstatement. *See, e.g.*, DD Req. at *11. Patent Owner argues that it "informed the Examiner of related US patent applications having prosecution histories that contained 'information relevant to the pending application.'" *Id.* (citing Ex. 1002 at

178). But like its IDS dump, Patent Owner listed ***thirty*** prosecution histories and did not identify any to which the Examiner should pay particular attention. *See* Ex. 1002 at 178; *Ecto World*, IPR2024-01280, Paper 13, at *7. Patent Owner argues that because the "'296 and '614 patents were among the applications listed by PayRange…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." DD Req. at *11. But as explained above, Patent Owner never informed the Examiner that there were PTAB proceedings relating to these patents; the Examiner would not have known of the existence of "documents and expert testimony discussing and applying the same asserted references to claims of related patents," and there is zero evidence that they ever learned of them. *Id*.

Even if one overlooks Patent Owner's failure to bring this information to the Examiner's attention, and assumes that the Examiner went looking for the information themselves, Patent Owner is arguing that the Examiner reviewed thirty prosecution histories, identified which applications were subjected to any post-grant review proceedings, and then reviewed the entire contents of those proceedings, all within the limited timeframe Examiners are allotted in examining patent applications, and at the same time the Examiner was being forced to wade through 400+ references and 2,200 pages of NPL. Patent Owner's argument is overextending

the bounds of "routine examination practice." *Id*. at *10. Accordingly, the prior proceedings do not support discretionary denial under *Becton, Dickson* Factors (e) and (f).

* * *

The arguments set forth above and in the Petition provide substantial evidence that the Examiner erred in failing to consider *Low*, *Arora*, *Freeny*, and *Casey*. Thus, because Petitioner has demonstrated that the Office erred in a manner material to patentability, discretionary denial is not warranted. *E.g.*, *Ecto World*, IPR2024-01280, Paper 13, at *3.

B. Discretionary Denial Under *Fintiv* is Not Warranted

1. The Board Should Reject Patent Owner's Request to Re-Write the America Invents Act

Patent Owner argues that Petitioner first filing an action for declaratory judgment of non-infringement, and then filing the present Petition for IPR, mandates discretionary denial. DD. Req. at **22–23. This exact argument was recently rejected in another in another discretionary denial decision. *See ResMed Corp. v. Cleveland Med. Devices, Inc.*, IPR2025-00246, Paper 10 (PTAB Jun. 12, 2025) (denying request for discretionary denial); *see also, e.g., id.*, Paper 6 at **1, 4-7, 23 (patent owner arguing that discretionary denial should be granted because "Petitioner initiated this District Court Litigation, as it brought a declaratory

judgment action for non-infringement"). For similar reasons, and as explained more fully below, Patent Owner's proposal to re-write the America Invents Act into a *per se* prohibition against *inter partes* review after filing a complaint for declaratory judgment of non-infringement should be rejected.

Courts and this Board have previously rejected the re-write of the America Invents Act that Patent Owner now urges the Office to adopt through the mechanism of discretionary denial. For example, in *Epic Games, Inc. v. Acceleration Bay LLC*, the court held: "[u]nlike a patent infringement defendant (which cannot bring an IPR more than one year after being sued) or a declaratory judgment plaintiff seeking a judgment of invalidity (which cannot seek an IPR at all), ***a declaratory judgment counterclaimant faces no apparent restrictions on seeking an IPR***." No. 4:19-cv-04133, 2020 WL 1557436, *1, 3 (N.D. Cal. Apr. 1, 2020) (emphasis added). Any interpretation to the contrary would usurp the role of Congress because "Congress has spoken, using unambiguous language, concerning 'a civil action challenging the validity of a claim of the patent,' as in § 315(a)(1), and 'counterclaim,' as in § 315(a)(3). In our view, the above-referenced policy considerations do not override the unambiguous statutory language." *Canfield Scientific, Inc. v. Melanoscan, LLC*, IPR2017-02125 Paper 7, 2018 WL 1628565, at **2–3 (PTAB Mar. 30, 2018).

Moreover, Patent Owner's remonstrations that Petitioner's declaratory judgment complaint meant "PayRange would be compelled to assert its own

infringement counterclaims and defend the validity of its patents" is a red herring that has no impact on discretionary denial. DD Req. at *2. Indeed, the Acting Director previously rejected an identical argument from patent owner in the *ResMed* decision. *See, e.g.*, IPR2025-00246, Paper 6 at 5 ("Patent Owner . . . was required to assert any counterclaims of infringement.").

Moreover, Patent Owner acknowledges that "by the terms of the relevant statute (*see* 35 U.S.C. § 325(a)) Petitioner is not strictly barred from filing the instant petition." *Id*. at *22. That is, Patent Owner understands what Petitioner did is proper; it is simply unhappy with current legislation. Congress specifically endorsed Petitioner's actions by enumerating "[a] counterclaim challenging the ***validity*** of a claim of a patent" exception to the bar against institution of a post-grant review after the filing of a civil action. 35 U.S.C. § 325(a)(3). The "unambiguous statutory language" of Section 325 makes it clear that Petitioner's filing of a declaratory judgment of ***non-infringement*** does not bar Petitioner from subsequently filing a petition for post-grant review. *Canfield Scientific*, IPR2017-02125 Paper 7, at **3–4; *see also, e.g.*, *Ariosa Diagnostics v. Isis Innovation Ltd.*, IPR2012-00022, 2013 WL 2181162, at *4–5 (PTAB Feb. 12, 2013).

Consistent with Congress's statutory scheme, the Board routinely institutes *inter partes* review proceedings where a petitioner first filed a declaratory judgment of non-infringement. *See, e.g.*, *Trove Brands, LLC v. CamelBak Products, LLC*,

IPR2025-00140, Paper 14 at 2–3 (PTAB Jun. 6, 2025) (granting institution of IPR where Petitioner had "filed suit against Patent Owner seeking a declaratory judgment of noninfringement in district court litigation"); *Synthego Corp. v. Agilent Techs., Inc.*, IPR2022-00402, Paper 11 at 12 n.14 (PTAB May 31, 2022) (same). In particular, one PTAB panel has stated, "we are not persuaded that, in the general case, the equities weigh against permitting a petitioner who filed a declaratory judgment action of non-infringement against a patent to also file a petition challenging the patentability of claims of that patent." *Avery Dennison Retail Information Services LLC et al v. EVRYTHNG Limited*, IPR2021-01259, Paper 14 at 14–15 (PTAB Jan. 25, 2022).

Patent Owner never addresses this precedent and cites no authority for its argument that Petitioner should not be permitted to seek *inter partes* review after filing a complaint for declaratory judgment of noninfringement. *See* DD Req. at **22–23. And the recent *ResMed* decision holds just the opposite, rejecting the exact argument offered by Petitioner, even after the March 2025 Memorandum. *Compare ResMed*, IPR2025-00246, Paper 6 at **23-25 (patent owner arguing for discretionary denial because petitioner had filed a complaint for declaratory judgment of non-infringement, arguing that "Petitioner effectively chose the District Court as its venue for validity challenges") and *id.*, Paper 10 (denying Patent

Owner's request for discretionary denial) *with* DD Req. at *22 ("Petitioner chose its forum to resolve its dispute: the District Court of Delaware").

Patent Owner's argument that Petitioner's Complaint for declaratory judgment of non-infringement is a *per se* ban on *inter partes* review has no support in the statute, the March 2025 Memorandum, or precedent and should be rejected.

2. The *Fintiv* Factors Do Not Support Discretionary Denial

The Board also considers six *Fintiv* Factors[4] when considering discretionary denial, five of which weigh heavily against discretionary denial here. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, at **5–6 (PTAB Mar. 20, 2020) (precedential) ("*Fintiv*").

***Fintiv* Factor 1** weighs against discretionary denial because Petitioner will request a stay of the Delaware Litigation and there is a significant likelihood that the district court will stay the case if IPR is instituted. Judge Noreika, who is presiding over the Delaware Litigation, routinely grants motions to stay when IPRs or PGRs

4 The *Fintiv* Factors are: "1. [W]hether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted; 2. proximity of the court's trial date to the Board's projected statutory deadline for a final written decision; 3. investment in the parallel proceeding by the court and the parties; 4. overlap between issues raised in the petition and in the parallel proceeding; 5. whether the petitioner and the defendant in the parallel proceeding are the same party; and 6. other circumstances that impact the Board's exercise of discretion, including the merits."

have been instituted. *See, e.g.*, Ex. 1027, *Nuance Comms., Inc. v. MModal, LLC*, No. 1:17-cv-01484, Dkt. 226, at 25:13–30:20 (D. Del. Apr. 11, 2019) (Noreika, J.) (staying case where "the PTAB [h]as instituted on all of the asserted claims of all [asserted] patents"); Ex. 1018, *Chemours Co. FC, LLC v. Daikin Indus. Ltd.*, No. 1:17-cv-01612, Dkt. 77, at 29:1–32:24 (D. Del. Jan. 3, 2019) (Noreika, J.) (same). In fact, according to Docket Navigator statistics analyzing motions to stay pending IPR/PGR filed both before and after institution, Judge Noreika grants or partially grants **84%** of such motions and the District of Delaware grants or partially grants **68%** of such motions.[5] *See* Exs. 1024, 1025. The significant likelihood that the Delaware Litigation will be stayed if IPR is instituted weighs against discretionary denial. *See, e.g.*, *Imperative Care, Inc. v. Inari Med., Inc.*, IPR2025-00289, Paper 9 at 2 (PTAB June 12, 2025) (denying request for discretionary denial where no trial date was scheduled and there was evidence that the district court was likely to grant a stay if IPR was instituted).

Patent Owner criticizes Petitioner because it has "not requested a stay of the parallel litigation." DD. Req. at *18. But this ignores that the customary practice in

[5] Exhibit 1024 shows that Judge Noreika granted motions to stay in their entirety in 45 out of 55 cases (82%) and granted one partial motion to stay (2%). Exhibit 1025 shows that the District of Delaware granted motions to stay in their entirety in 370 out of 578 cases (64%) and granted partial motions to stay in 22 other cases (4%).

the District of Delaware is to wait until after institution to seek a stay; pre-institution motions to stay are typically denied as premature. *See, e.g.*, Ex. 1028, *Waters Corp. v. Agilent Techs., Inc.*, No. 1:18-cv-01450, Dkt. 95 (D. Del. Aug. 6, 2019) (Noreika, J.) (denying "request to stay the litigation pending IPR without prejudice to renew after the PTAB decision on institution").

Indeed, in Patent Owner's prior litigation with CSC before Judge Noreika, Patent Owner opposed CSC's motion to stay ***precisely because*** it was filed pre-institution. Patent Owner argued that "CSC's motion [to stay] is premature because the PTAB has still not yet issued an institution decision" and "[t]he appropriate time to consider a stay is after all of the institution decisions have been entered." *E.g.*, Ex. 1026, No. 23-cv-278, Dkt. 59 at 1, 4 (arguing that "courts almost invariably deny requests for stays pending IPR proceedings when the stay requests are filed before the IPR is instituted") (citing *IOENGINE, LLC v. PayPal Holdings, Inc.*, No. 18-452, 2019 WL 3943058, at *6 (D. Del. Aug. 21, 2019)). Judge Noreika thereafter denied the motion to stay without prejudice, and ordered that CSC could renew its motion after the PTAB's institution decision. *See* Ex. 1029, No. 23-cv-278, Dkt. 61 (D. Del. Feb. 26, 2025). Petitioner's decision here to wait until institution before seeking a stay respects Judge Noreika's practice and does not support discretionary denial.

***Fintiv* Factor 2** weighs heavily against discretionary denial because the Delaware Litigation is at a very early stage: no case schedule has been entered, there is no schedule for Markman proceedings, and **the Court has not even set a trial date**. *See, e.g.*, Delaware Litigation, Dkts. 21–28, 30; *see also, e.g.*, *Cambridge Industries USA, Inc. v. Applied Optoelectronics, Inc.*, IPR2025-00434, Paper 11 at *2 (PTAB June 26, 2025) (denying discretionary denial where there was no scheduled trial date or Markman hearing date). Moreover, based on recent statistics, it is unlikely that the Delaware Litigation would reach trial before March 2027. *See* Ex. 1019 (noting a median time of 32.9 months from filing to trial in the District of Delaware); *see also, e.g.*, USPTO March 24, 2025 Guidance ("Boalick Memo") (noting that "the Board may consider . . . median time-to-trial statistics"). By contrast, the Board's statutory Final Written Decision deadline in this proceeding will be approximately October 2026. Accordingly, the extremely early stage of the Delaware Litigation weighs heavily against discretionary denial. *See, e.g.*, *Amazon.com, Inc. v. NL Giken Inc.*, IPR2025-00250, Paper 14 at *2 (PTAB May 16, 2025) (rejecting discretionary denial where it was "likely that a final written decision in this proceeding will issue before the district court trial occurs"); *Merck Sharp & Dohme LLC v. Halozyme, Inc.*, PGR2025-00006, Paper 29 at *2 (PTAB June 12, 2025) (finding that this factor weighed against discretionary denial where district

court had not yet scheduled a trial date and the final written decision was projected to issue years before any trial).

This factor weighs heavily against denial.

Fintiv* Factor 3** weighs heavily against discretionary denial for similar reasons: due to the nascency of the Delaware Litigation, the parties (and especially the Court) have invested very little in it. ***No discovery has been requested or exchanged, no contentions have been exchanged, and there is not even an overall case schedule or deadlines for claim construction proceedings. And the very little time invested in the Delaware Litigation is limited to Section 101 issues—there has been ***no investment*** concerning Sections 102, 103, or claim construction. Indeed, because Petitioner's motion to dismiss is pending, Petitioner has not even answered Patent Owner's counterclaims. This weighs heavily against discretionary denial. *See, e.g.*, *Fintiv*, IPR2020-00019, Paper 11, at *10 ("[i]f, at the time of the institution decision, the district court has not issued orders related to the patent at issue in the petition, this fact weighs against exercising discretion to deny institution."). Indeed, in the *ResMed* decision, the Acting Director denied the request for discretionary denial even though the parties had "invested some resources into the district court proceeding." IPR2025-00246, Paper 10 at *2. Here, by contrast, the very little investment in the district court proceeding was limited to Section 101 issues, wholly unrelated to the issues in the present Petition.

Patent Owner argues that Petitioner's pending motion to dismiss weighs in favor of discretionary denial because "should the district court grant Petitioner's motion, it would be dispositive of the parties' dispute regarding this patent." DD. Req. at **18–19. But the Delaware court has not even scheduled a hearing on the motion to dismiss. And if the present IPR is instituted, the Delaware Litigation will almost certainly be stayed before any ruling on the motion to dismiss, eliminating any possibility for inconsistent rulings.

Further, Petitioner should not be punished for "elect[ing] to file a motion to dismiss [Patent Owner's] counterclaims asserting infringement" under Section 101. *Id*. at *18. Petitioner contends that Claims 7 and 11 of the '772 Patent are ineligible under Section 101 and it should not be forced to answer Patent Owner's counterclaims of infringement relating to certain of those claims.

Finally, Factor 3 "weigh[s] against exercising the authority to deny institution" because Petitioner "filed the petition expeditiously." *Fintiv*, IPR2020-00019, Paper 11, at *11. Petitioner filed the Petition more than 6 months before its statutory deadline to do so. *See* Pet.; Ex. 2007; *Alliance Laundry Systems LLC v. PayRange Inc.*, No. 1:24-cv-00733, Dkt. 11 (D. Del. Aug. 23, 2024). Several recent decisions (including decisions issued after the March 2025 Memorandum) have agreed that similar expeditious filings weigh against denial. *See, e.g.*, *Samsung Elecs. Co. v. Mullen Indus.*, IPR2025-01472, Paper 9 at *10 (PTAB Mar. 31, 2025)

("Petitioner's diligence in filing its Petition (a) less than five months after receiving Patent Owner's infringement contentions and (b) prior to the parties briefing claim construction issues weighs against exercising discretionary denial."); *Samsung Elecs. Co. v. Headwater Research LLC*, IPR2024-01396, Paper 13 at *7 (Apr. 1, 2025) ("[W]e find Petitioner's diligence in filing its Petition approximately 4 months before it was statutorily required to do so, and while litigation is in its early stages, weighs against denial, not for it."); *ResMed*, IPR2025-00246, Paper 10 at *2 ("Early challenges favor robust, predictable patent rights and weigh against discretionary denial").

Accordingly, *Fintiv* Factor 3 weighs against denial.

***Fintiv* Factor 4** weighs against discretionary denial because any overlap between the pending motion to dismiss in the Delaware Litigation and present IPR proceeding will be resolved by staying the district court litigation after institution. Further, Petitioner included a *Sotera* stipulation in its Petition, and will file the same in the Delaware Litigation when it seeks a stay if the present IPR is instituted.[6] Pet.

6 Patent Owner's complaint that "Petitioner has yet to file any document with the district court" is of no import as demonstrated by Patent Owner's lack of any authority to support this complaint. DD Req. at *19 n.4. Petitioner included such stipulation in the Petition. *See* Pet. at *59. And because the *Sotera* stipulation only takes effect if the present IPR is instituted, Petitioner is justified in waiting until after institution to file the stipulation in the Delaware Litigation in connection with Petitioner's motion to stay.

at *59; *see also* DD. Req. at *19 n.4. Contrary to Patent Owner's assertions that this stipulation is contradicted by Petitioner's pending motion to dismiss, the stipulation was made *after* Petitioner moved to dismiss under Section 101. *See* DD Req. at *17. And if this proceeding is instituted, the Delaware Litigation will likely be stayed, and the stipulation effective, following institution and Final Written Decision.

Also favoring institution is the fact that the Petition challenges all claims of the '772 Patent, including Claim 7, which Patent Owner is not asserting in the Delaware Litigation. *See Alliance Laundry Systems LLC v. PayRange Inc.*, No. 1:24-cv-00733, Dkt. 18 at PageID.963 ¶ 61 (D. Del. Oct. 4, 2024). Petitioner elected to challenge the only two remaining claims of the '772 Patent for efficiency reasons—for example, to avoid filing a petition for *inter partes* review in the event Patent Owner later asserts Claim 7 in the Delaware Litigation. This additional challenged (but unasserted) Claim 7 differs in scope from the asserted Claim 11, meaning that important issues in the Petition will ***not*** be resolved in the Delaware Litigation—further reducing the degree of overlap between this proceeding and the Delaware Litigation. *See, e.g.*, *Fintiv*, IPR2020-00019, Paper 11, at *13 (examining whether the district court will "resolve key issues in the petition"); *see also, e.g., Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00217, Paper 9 at **21–22 (PTAB May 20, 2025) ("Petitioner elected to challenge additional, unasserted claims for

efficiency reasons."); *id.*, Paper 10 (PTAB June 13, 2025) (denying request for discretionary denial).

Accordingly, Factor 4 weighs heavily against discretionary denial because (i) Petitioner's *Sotera* stipulation will eliminate overlap with invalidity issues in the Delaware Litigation; and (ii) the patentability of Claim 7 will not be resolved in the Delaware Litigation.

***Fintiv* Factor 5** weighs slightly in favor of discretionary denial, as the parties to this proceeding are the same as the Delaware Litigation. However, the Board declines to discretionarily deny when, like here, "when balanced with factors 1-4, there is no indication of inefficiencies or duplication of efforts between the PTAB and the district court." *Sony Group Corp. v. Inmusic Brands, Inc.*, IPR2023-00294, 2023 WL 5167545, at *6 (PTAB July 25, 2023).

Fintiv* Factor 6** weighs heavily against discretionary denial. Petitioner has strong grounds of invalidity under Section 103, and it has explained how the Examiner erred and how the Board's prior determinations regarding *Low* and the '614 Patent are overcome with the asserted combination. Indeed, the Board ***previously found a reasonable likelihood that Claim 11 of the '772 Patent would be found unpatentable. And that proceeding concerned a combination of six prior art references, including *Low*, *Arora*, *Casey*, and *Freeny*, which are asserted here. *See CSC ServiceWorks*, IPR2023-01449, Paper 14, at *26. In the Institution

Decision, the Board found that the petitioner had sufficiently shown that the combination of the six asserted prior art references taught all the limitations of Claims 1 and 11. *See id.*, Paper 14, at *19. Rather than wait for a final written decision after institution, Patent Owner chose to settle the case and terminate the IPR proceeding. *See id.*, Paper 18.

Ground 2 of this Petition (against Claim 11) is even stronger than the six-reference combination instituted in IPR2023-01449. The primary reference in IPR2023-01449 was U.S. Pat. No. 7,458,510 ("*Zhou*"). *See id.*, Paper 14, at *10. While Petitioner agrees that *Zhou* is a strong prior art reference, Petitioner relies instead on *Low* as the primary reference because it teaches every limitation of Claim 1. *See* Pet. at **21–34. In addition, by relying on *Low* as the primary reference, the present Petition asserts a combination of only four prior art references, as opposed to six, which simplifies and strengthens the motivation-to-combine analysis as a POSA would have arrived at all the limitations of Claim 11 through the teachings of fewer references. *See id*. at **41–57.

There is thus a strong likelihood that the Board will find the Challenged Claims invalid under the grounds asserted herein. The Board should not discretionarily deny institution under *Fintiv.*

C. Additional Considerations in the March 2025 Memorandum Favor Institution

In addition to the frameworks of *Advanced Bionics* and *Fintiv* weighing against discretionary denial, "all relevant considerations" outlined in the March 2025 Memorandum similarly weigh against discretionary denial. *See, e.g.*, *Twitch Interactive, Inc. v. Razdog Holdings LLC*, No. IPR2025-00307, Paper 18 at *3 (PTAB May 16, 2025) (rejecting similar arguments to those made by Patent Owner here).

1. There Are No Settled Expectations that Would Support Discretionary Denial

Patent Owner argues that the "[s]ettled expectations of the parties" support discretionary denial. DD. Req. at **5, 21. Its argument on this factor relies largely on prior statements and press releases from former Patent Owner targets. *See id.* But these statements cannot establish "settled expectations of the parties," for several reasons.

First, the '772 Patent is very young. It only issued on October 25, 2022, just over two years before the Petition was filed on February 3, 2025. *See* Pet.; Ex. 1001. And the Petition was filed very early in the dispute between the parties, less than a year after Patent Owner sent its first letter, less than 8 months after Petitioner filed the declaratory judgment complaint, and less than six months after Patent Owner first counterclaimed for infringement. The short life of the '772 Patent, and

Petitioner's early challenge to it, weigh against discretionary denial. *See, e.g.*, *Cambridge Industries USA, Inc. v. Applied Optoelectronics, Inc.*, IPR2025-00434, Paper 11 at *2 (PTAB June 26, 2025) (finding no strong settled expectations for patents that issued in 2020 and 2019); *Embody, Inc. v. Lifenet Health*, IPR2025-00248, Paper 13 at **2–3 (PTAB June 26, 2025) (finding no strong settled expectations for patent issued in 2022); *GD Energy Prods., LLC v. Kerr Machine Co.*, PGR2025-00031, Paper 11 at *2 (PTAB June 25, 2025) (denying discretionary denial and holding that "early challenges to patents favor robust, predictable patent rights and weigh against discretionary denial").

Second, events during the short life of the '772 Patent undercut any argument of "settled expectations" in its patentability. For one, Patent Owner disclaimed the majority of the claims of the '772 Patent shortly after it issued, in view of the PTAB's findings against its parent, the '614 Patent. *See* Ex. 1009. Then, even with only two claims remaining in the '772 Patent, the PTAB instituted *inter partes* review against Claim 11 based on a six-reference combination. *See CSC ServiceWorks*, IPR2023-01449, Paper 14. This history undercuts any argument that Patent Owner had "settled expectations" that the '772 Patent would not be challenged again. Indeed, in view of the Board's prior art findings in the '614 Patent PGR, Patent Owner's disclaimer of most of the claims of the '772 Patent, and the Board's prior institution of Claim 11, the only "settled expectations" are that Claim 11 of the '772 Patent is "highly

vulnerable to invalidation based on prior art" in view of the stronger, four-reference combination presented in the Petition. *POSCO*, IPR2025-00370, Paper 10 at **2–3. This "tip[s] the balance against discretionary denial," because "[i]t is an appropriate use of Office resources to provide consistency and predictability to the public, and to ensure that a patent applicant or owner does not take action inconsistent with the judgment in a prior Office proceeding." *Id.*

Patent Owner attempts to detract from instituted IPR2023-01449 by analogizing Claims 7 and 11 of the '772 Patent to Claims 7 and 11 of the '614 Patent. DD Req. at **23–24 (citing *Kiosoft*, PGR2021-00093, Paper 38 at **45–47, 69). However, in the PGR against the '614 Patent, the PTAB found that "[t]he allegations in the Petition regarding the dependent claims do not cure the flaw in the underlying independent claims." *Kiosoft*, PGR2021-00093, Paper 38 at *65. As set forth above, the identified "flaw" in the challenge to the independent claims is the prior art's failure to disclose limitation [1.3] ("predefined radio messages"), which is ***not recited*** in Claim 1 of the '772 Patent, from which Claims 7 and 11 depend. Accordingly, the PTAB's determination that Claims 7 and 11 of the '614 Patent were not unpatentable based on a limitation not recited in the '772 Patent has no bearing on the patentability of Claims 7 and 11 of the '772 Patent.

Rather than addressing these important facts, Patent Owner's "settled expectations" argument relies primarily on post-settlement statements from KioSoft

and WASH. *See* DD. Req. at **5, 21. Notably absent in this argument is any statement from CSC. And while notable, this is not surprising—Patent Owner settled with CSC just two weeks after the Board instituted *inter partes* review of Claim 11 of the '772 Patent in IPR2023-01449. And of course, the Kiosoft statement issued in January 2024, months before the PTAB's April 2024 institution decision on the '772 Patent.

More importantly, regardless of timing or which defendant made which statement, by their very nature these statements cannot establish "settled expectations." Patent Owner extracted these statements as part of settlement—by any definition, they were ***not*** objective, independent assessments of Patent Owner's patents. Indeed, because of the "coercive environment of patent litigation," the Federal Circuit places strict limitations on when settlement agreements can be used for damages analyses. *See, e.g.*, *Laser Dynamics, Inc. v. Quanta Computer, Inc.*, 694 F.3d 51, 77-78 (Fed. Cir. 2012). The same logic undercuts any probative value of the press releases issued by Patent Owner's targets following settlement.

2. The Petition Does Not Improperly Rely on Expert Testimony

Patent Owner cherry-picks a handful of excerpts to argue that the Petition overly relies on expert testimony. *See* DD. Req. at **24–25. This is not "gap-fill[ing]" with expert testimony; instead, Petitioner's expert was properly explaining

how a POSA would understand certain claim limitations and disclosures of the prior art. Indeed, the understanding of a POSA is critical both to claim construction issues and to obviousness grounds. *See, e.g.*, *Phillips v. AWH Corp.*, 415 F.3d 1303, 1313 (Fed. Cir. 2005) ("We have made clear, moreover, that the ordinary and customary meaning of a claim term is the meaning that the term would have ***to a person of ordinary skill in the art*** in question at the time of the invention, i.e., as of the effective filing date of the patent application.") (emphasis added); *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 417, 418, 421 (2007) ("If ***a person of ordinary skill*** can implement a predictable variation, § 103 likely bars its patentability. For the same reason, if a technique has been used to improve one device, and ***a person of ordinary skill in the art*** would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill.") (emphasis added).

Nor can the understanding of a POSA be proven only with attorney argument, which is not evidence. *E.g.*, *Elbit Sys. of Am., LLC v. Thales Visionix, Inc.*, 881 F.3d 1354, 1359 (Fed. Cir. 2018) ("Elbit fails to present any evidence supporting this contention beyond attorney argument . . . and '[a]ttorney argument is not evidence' and cannot rebut other admitted evidence."). Indeed, the Board recently confirmed that expert testimony is ***essential*** to properly support arguments that are evaluated from the perspective of a POSA. *See, e.g.*, *PLR Worldwide Sales Ltd. v. Flip Phone*

Games, Inc., IPR2024-000209, Paper 28 at *32 (PTAB Apr. 24, 2025) ("It is well settled that mere attorney argument unsupported by factual evidence is entitled no probative value."); *see also, e.g., GD Energy Prods.*, PGR2025-00031, Paper 11 at *2 (rejecting patent owner's argument that petitioner had improper "extensive reliance" on expert testimony, and finding instead that "the testimony is merely complying with regulations requiring disclosure of 'underlying facts or data'").

The Petition presents and relies upon the testimony of Dr. Neuman on the understanding of claim terms and obviousness issues, as required. *E.g.*, Pet. at **20, 36–38, 43–49; Ex. 1003 at **20–21, 38–41, 48–59. The unpatentability grounds in the Petition are fully supported by the references themselves—Dr. Neuman's testimony serves to confirm, support, and explain the references' disclosures from the perspective of a POSA. *See generally* Pet. at **20–57. This is entirely proper and weighs against discretionary denial. *See, e.g.*, *Cambridge Industries*, IPR2025-00434, Paper 9 at *3 (Petitioner's expert "testimony serves the approved purpose of guiding the Board to the relevant portions of the cited references."); *id.*, Paper 11 (denying request for discretionary denial).

Patent Owner is also wrong that the Petition "invokes its expert's testimony to establish the teaching of express claim limitations without corresponding disclosure in the references themselves." DD. Req. at *24. To the contrary: all the limitations Patent Owner cites include "corresponding disclosure in the references

themselves," in addition to Dr. Neuman's understanding of how the terms would be understood by a POSA. *See, e.g.*, Pet. at *27 (for claim limitation [1.6] including "display a visual indication of the one or more payment accepting units," citing to *Low*, Ex. 1005, at 2:16-20, 8:66-9:2, 2:26-28), *27 (same for claim limitation [1.7] "accept user input to (i) receive selection by a user of the mobile device of an available payment accepting unit"); **30–32 (for claim limitation [1.10] "after establishing the wireless communication path, enabling user interaction," citing to *Low*, Ex. 1005, at 8:24-28, 8:22-24, 10:1-3, Figure 3 (including screenshot in Petition)); *33 (for claim limitation [1.11] "exchanging information with the available payment accepting unit," citing to *Low*, Ex. 1005, at 5:54-57, 5:66-6:3, 6:9-15); *34 (for claim limitation [1.12] "updated user interface," citing to *Low*, Ex. 1005, at 8:31-33, 9:8-11). And the corresponding paragraphs in Dr. Neuman's declaration also consider the "corresponding disclosure in the references themselves." *See, e.g.*, Ex. 1003 at ¶¶ 74–77, 82–91.

Patent Owner is also wrong that Dr. Neuman "merely parrots the petition's arguments without providing evidentiary support." DD. Req. at *25. Its argument ignores Dr. Neuman's 75-page, 180+ paragraph report, instead focusing on just seven paragraphs: 132–35 and 143–45. *See id*. Not only does this wrongly ignore the remainder of Dr. Neuman's opinions, it is also flatly wrong that these paragraphs lack evidentiary support. For example, Dr. Neuman explained why, in his opinion,

the "icons or photographs, 41 and 42" in the interface taught by *Arora* would make the interface of *Low* more convenient, for example, if a user has difficulty interpreting textual descriptions. *See, e.g.*, Ex. 1003 at ¶ 132. And Dr. Neuman gave at least six rationales (with supporting evidence) for why a POSA would have been motivated to modify the user interface of *Low* to include a visual representation of the available payment accepting unit; Patent Owner ignores all but two. *Compare* DD. Req. at *25 (complaining of paragraphs 132–35 in Ex. 1003) *with* Ex. 1003 at ¶¶ 132–140 (providing at least six rationales, with supporting evidence). Patent Owner does the same as to Dr. Neuman's expressed rationales for why a POSA would have been motivated to modify the user interface of *Low*/ *Arora* to include a visual representation of an indication of a prepared balance, as taught by *Freeny*. *Compare* DD. Req. at *25 (complaining of paragraphs 143–45 in Ex. 1003) *with* Ex. 1003 at ¶¶ 143–50 (providing at least six rationales, with supporting evidence).

Dr. Neuman is a POSA and used his expertise to explain background information and the understanding of a POSA as to both claim interpretation and obviousness issues. Dr. Neuman's testimony, and Petitioner's citation of it in support of the Petition, is entirely consistent with case law and Board precedent, and does not support discretionary denial. Indeed, that Petitioner and Dr. Neuman provided robust expert testimony on two challenged dependent claims, and the independent claim from which they depend, is a "feature, not a bug of his testimony," a feature

that the Board has just recently applauded. *See, e.g., Tesla, Inc. v. Charge Fusion Techs., LLC,* IPR2025-00032, Paper 11 at *39 (PTAB May 19, 2025) ("[T]hat [Petitioner's expert] supports his extensive explanations of his opinions with citations to dozens of pieces of objective evidence, ***is a feature, not a bug of his testimony***. [The expert], and Petitioner by extension, leave virtually none of the substance of his testimony unsupported by objective evidence, ***a practice that we applaud***.") (emphasis added); *see also, e.g.*, *GD Energy Prods.*, PGR2025-00031, Paper 11 at *2.

Finally, the Petition does not improperly incorporate parts of Dr. Neuman's Declaration by reference. *See* DD. Req. at *25. To the contrary, "[f]ar from improperly incorporating arguments by reference," Dr. Neuman's "citation to objective evidence to support his opinions" on why a POSA would be motivated to modify the user interface of *Low* as taught by *Arora* is "preferred and highly persuasive." *See* Pet. at **43–45 (citing Dr. Neuman Declaration, Ex. 1003, at ¶¶ 132–140); *Tesla,* IPR2025-00032, Paper 11 at *21-22. And because "[p]roof of one motivation to combine, as shown here, is sufficient," Dr. Neuman providing multiple rationales for why a POSA would combine these references goes above and beyond what is required, and Petitioner only needed to cite to one of these exemplary rationales. *Everlight Elecs. Co., Ltd v. Nichia Corp.*, 719 F. App'x 1008, 1013 (Fed. Cir. 2018).

Accordingly, Petitioner's proper reliance on evidence-backed expert testimony to support the strong unpatentability grounds in the Petition weighs against discretionary denial.

3. Petitioner Should Have Access to this Forum to Efficiently Establish the Unpatentability of the Challenged Claims

"Compelling economic…interests" also heavily weigh against discretionary denial here. March 2025 Memorandum, at *2. Patent Owner is aggressively asserting its patents even though identical or nearly identical claims have been held invalid by the PTAB, disclaimed by Patent Owner, and/or found likely to be unpatentable in an institution decision of an IPR proceeding that was terminated before a final written decision. It is in the public's interest to disincentivize patent owners from abusing the system like this, as companies like Petitioner and others are forced to spend money defending against meritless patent assertions. And if the present Petition is discretionarily denied, there is a high likelihood that the parties will expend far greater resources in the Delaware Litigation. *See, e.g.*, *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at *16-17 (PTAB Sept. 6, 2017) ("[W]e recognize that an objective of the AIA is to provide an effective and efficient alternative to district court litigation."). Accordingly, this factor also weighs against discretionary denial.

IV. CONCLUSION

For at least the reasons above, Petitioner respectfully requests that the Director deny Patent Owner's request for discretionary denial, and instead refer the Petition to a merits panel for consideration.

Respectfully submitted, Dated: July 7, 2025

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CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing Petitioner's Opposition to Patent Owner's Request for Discretionary Denial was served on the date below on Patent Owner at the email addresses below:

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CERTIFICATE OF COMPLIANCE WITH TYPE-VOLUME LIMITATION, TYPEFACE REQUIREMENTS, AND TYPE STYLE REQUIREMENTS

This Petitioner's Opposition to Patent Owner's Request for Discretionary Denial complies with the type-volume limitation in 37 C.F.R. § 42.24, and the Director's March 2025 Memorandum on Interim Processes for PTAB Workload Management, in that it contains 11,819 words, excluding the parts exempted by 37 C.F.R. § 42.24, as measured by the word processing software used to prepare the document.

This Petition complies with the general format requirements of 37 C.F.R. § 42.6(a) and has been prepared using Microsoft Office 365 in 14-point Times New Roman.

Dated: July 7, 2025

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