

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

WALMART INC. and WALMART STORES TEXAS, LLC
Petitioners

v.

RAVENWHITE SECURITY, INC.,
Patent Owner

Case: IPR2025-00810
U.S. Patent No. 10,594,823

**PETITIONERS' RESPONSE TO PATENT OWNER'S BRIEF ON
DISCRETIONARY DENIAL**

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PETITIONER'S EXHIBIT LIST

Exhibit No.	Description
1029	Order Granting Motion to Stay, <i>RavenWhite Licensing LLC v. The Home Depot, Inc. et al</i> , Case No. 2:24-cv-00688-JRG-RSP, Dkt. No. 96 (E.D. Tex. June 18, 2025).
1030	Plaintiff's Response to Home Depot's Motion to Stay Pending IPR, <i>RavenWhite Licensing LLC v. The Home Depot, Inc. et al</i> , Case No. 2:24-cv-00688-JRG-RSP, Dkt. No. 76 (E.D. Tex Feb. 11, 2025).

There are multiple omissions and factual misrepresentations in Patent Owner's Brief on Discretionary Denial (Paper 12) (the "Brief") which are fatal to Patent Owner's arguments. Patent Owner also fails to address the fact that these same discretionary arguments have already been presented and rejected by both the Board and the Director in the very same IPR proceedings Walmart seeks to join. Not only that, but the majority of Patent Owner's arguments are unsupported by any cited authority and are directly contradicted by recent decisions by the Board and/or Director. The Board should – as it did before – reject Patent Owner's request for discretionary denial and join Walmart to the pending, instituted IPR proceedings discussed below.

I. PATENT OWNER'S *FINTIV* ARGUMENTS ARE PREDICATED ON AN OVERT MISREPRESENTATION REGARDING THE PARALLEL LITIGATION AND ARE BASED ON ARGUMENTS THAT THE BOARD AND DIRECTOR HAVE ALREADY REJECTED

Patent Owner argues that the Board should exercise discretionary denial of Walmart's joinder requests under *Fintiv* based on parallel litigation in the Eastern District of Texas (the "Eastern District Case"). Patent Owner leads this argument by stating that "[t]here is presently no stay of proceedings in the district court." Brief at 11.

That statement is incorrect and has been incorrect since before the Patent Owner submitted its Brief to the Board. On June 18, 2025, the Eastern District Case

was “stayed pending final written decision by the PTAB in the various IPRs identified above,” *i.e.*, the present IPR proceedings as well as those filed by Home Depot for the same patents. *RavenWhite Licensing LLC v. The Home Depot, Inc. et al*, Case No. 2:24-cv-00688-JRG-RSP, Dkt. No. 96 (E.D. Tex. June 18, 2025) EX1029 at 5 (the “Stay Order”). It is unfortunate that Patent Owner did not provide this fact and decision by the Court to the Board, but it clearly impacts every aspect of Patent Owner's *Fintiv* argument.

As stated in the Stay Order, the stay in the Eastern District Case will not end unless and until the Board issues final written decisions in this proceeding **as well as** the various *inter partes* review proceedings filed by Home Depot which the Board previously instituted months ago and which Walmart seeks to join. *See Home Depot U.S.A., Inc. v. RavenWhite Security, Inc.*, IPR2024-01316 (“the Home Depot IPR”). This effectively disposes of Patent Owner's *Fintiv*-based arguments which have already been addressed and denied by the Board and Director as detailed below.

Specifically, Patent Owner does not mention that during the Home Depot IPR, Patent Owner presented nearly identical discretionary denial arguments which were denied by the Board. *See* IPR2024-01316, Paper 12 at 14 (“For the reasons we identify above, four factors weigh against discretionary denial . . . Consequently, when considering the factors as part of a holistic analysis, we decline to exercise our discretion under § 314(a) to deny this IPR.”). As to the single factor the Board found

neutral – *i.e.*, the lack of a stay of the parallel litigation – that factor now strongly weighs against discretionary denial based on the Stay Order.

Patent Owner also fails to mention that it also sought Director Review of its discretionary denial arguments in the Home Depot IPR which the Director further denied. *See* IPR2024-01316, Paper 19 at 2 (“The Office received a request for Director Review of the Decision granting institution in each of the above-captioned case and an authorized response to each request. . . . [T]he requests for Director Review are denied.”). In short, Patent Owner is re-urging arguments which have already been rejected regarding the same patents, same prior art grounds and same institution decisions. However, given that the Eastern District Case has now been stayed pending resolution of the various IPR proceedings, Patent Owner's *Fintiv*-type arguments are even weaker now than they were then.

Although the Board has already engaged in a detailed analysis of the *Fintiv* factors (IPR2024-01316, Paper 12 at 8-14) and concluded that discretionary denial is improper, Walmart nevertheless provides an updated analysis of each factor below.

A. Factor 1 Strongly Favors Institution/Joinder

As discussed above, the Stay Order has been entered and the Eastern District Case is stayed indefinitely pending final written decisions in these proceedings and the Home Depot IPR which Walmart seeks to join. This favors institution/joinder.

B. Factor 2 Strongly Favors Institution/Joinder

Even before the Stay Order was entered, the Board found that the final written decision in the Home Depot IPR would issue before the trial date in the Eastern District Case. Now, that result is even more certain based on the Stay Order. This factor now undisputedly weighs against discretionary denial.

C. Factor 3 Favors Institution/Joinder

In the Stay Order, the judge in the Eastern District Case explicitly stated that “Defendants are correct in asserting that this case is still in its early stages; Plaintiff’s assertion that the case is ‘at an advanced stage’ is unconvincing.” EX1029 at 4. Put simply, even the judge in the Eastern District Case disagreed with the argument presented by Patent Owner for factor 3. To the extent there was any doubt that this factor weighed against discretionary denial, no doubt remains. Obviously the issuance of the Stay Order means that the Eastern District Case will remain in the early stages unless and until a final written decision is entered.

D. Factor 4 Strongly Favors Institution/Joinder

A *Sotera* stipulation is already in place. Paper 11. Patent Owner does not even attempt to address factor 4 in the Brief because it clearly weighs against discretionary denial.

E. Factor 5 Favors Institution/Joinder

Because the statutory deadline for the final written decision in the Home Depot IPR which Walmart seeks to join predates any possible trial date (based on the Stay Order), this factor weighs against discretionary denial. *Samsung Elecs. Co. Ltd. v. Staton Techiya, LLC*, IPR2022-00282, Paper 12, 17-18 (P.T.A.B. Jun. 17, 2022).

F. Factor 6 Favors Institution/Joinder

Unlike usual situations where the petitioner is preemptively speculating about the Board's view of the strength of the prior art arguments in an IPR petition, here the Home Depot IPR which Walmart seeks to join has already been instituted and the Board found that "Home Depot's arguments and evidence for the asserted ground of unpatentability based on Hinton appear strong with respect to at least one claim. [] Accordingly, this factor weighs against discretionary denial." IPR2024-01316, Paper 12 at 14. This factor weighs against discretionary denial.

As to Patent Owner's repeated suggestion that Walmart somehow delayed filing its motion to join the Home Depot IPR, that is false. The Home Depot IPR was instituted on March 24, 2025. IPR2024-01316, Paper 12. Walmart filed the petition in this proceeding that same week on March 28, 2025. That same day, Walmart also filed its Motion for Joinder Under 35 U.S.C. § 315(c) and 37 C.F.R. § 42.122(b) to Related *Inter Partes* Review IPR2024-01316. See Paper 3 ("Motion for Joinder"). There was no delay.

II. PATENT OWNER'S "SETTLED EXPECTATIONS AND EFFICIENCY" ARGUMENTS ARE INSUFFICIENT TO JUSTIFY DISCRETIONARY DENIAL AND CONTRARY TO RECENT PRECEDENT

The '823 Patent is recent (having issued on March 17, 2020) and Walmart has only known of the patent since RavenWhite's exclusive licensee improperly filed its complaint in September 2023 that had to be dismissed for an admitted lack of standing by Patent Owner's licensee. *See RavenWhite Licensing LLC v. The Home Depot, Inc. et al*, Case No. 2:24-cv-00688-JRG-RSP, Dkt. No. 76, EX1030 at 3¹ (RavenWhite: "These cases were voluntarily dismissed in August 2024 [] to address a potential standing issue concerning patent ownership, and refiled on August 21, 2024 asserting the same patents against the same defendants after resolving the standing concern."). It is odd for Patent Owner to emphasize "settled expectations and efficiencies" when Patent Owner's licensee improperly pursued costly litigation against Home Depot and Walmart for nearly a year despite being fully aware of issues regarding ownership of the patent, which meant the case never should have been brought in the first instance. If a Patent Owner and its licensee cannot even determine who properly owns a patent, there are hardly any "settled expectations" related to that patent.

¹ Citation to internal page numbers provided in EX1030.

Moreover, the Director has rejected discretionary denial requests based on “settled expectations” arguments for patents even older than the patent-at-issue here. *See, e.g., Cambridge Indus. USA, INC. v. Applied Optoelectronics, Inc.*, Nos. IPR2025-00434, IPR2025-00436, IPR2025-00437, Paper 11 at 2-3 (PTAB June 26, 2025) (denying patent owner’s request for discretionary denial because “most of the challenged patents have not been in force for a significant period of time (issued in 2020, 2019, and 2019), and, accordingly, Patent Owner has not developed strong settled expectations that favor discretionary denial as to at least those patents.”). There is no authority supporting Patent Owner’s argument and in fact the relevant authority on this issue directly supports rejecting discretionary denial.

In terms of Patent Owner’s policy arguments regarding modifications to joinder under 35 U.S.C. § 315, that section clearly permits joinder under the present circumstances and the Board has granted joinder under these same circumstances on numerous occasions. *See, e.g., AT&T Services, Inc. v. Convergent Media Solutions, LLC*, IPR2017-01237, Paper 10 (PTAB May 10, 2017); *Qualcomm Inc. v. Bandspeed, Inc.*, IPR2015-00314 Paper 21 (PTAB Nov. 16, 2015).

Patent Owner’s speculative comments regarding potential settlement with Home Depot and/or Walmart are entitled to no weight and are unsupported by any authority. Patent Owner presents no evidence or support for the notion that settlement with either party is likely or imminent.

III. PATENT OWNER'S OTHER DISCRETIONARY DENIAL ARGUMENTS ARE EQUALLY FAULTY AND PREDICATED ON A MISUNDERSTANDING OF WALMART'S POSITION AND REQUEST

With respect to Patent Owner's other discretionary denial arguments, Patent Owner largely ignores the fact that Walmart is not seeking to re-urge the same invalidity arguments in a wholly separate set of IPR proceedings, but has instead asked the Board to join Walmart to the already-instituted Home Depot's IPR proceedings solely in an "understudy" role. *See* Motion for Joinder, Paper 3 at 6-7 ("Petitioner explicitly agrees to take an 'understudy' role, as described by the Board.") (citing *Noven Pharmaceuticals, Inc. et al. v. Novartis AG et al.*, IPR2014-00550, Paper 38 at 5 (Apr. 10, 2015)).

This is relevant because 35 U.S.C. § 315(b), which Patent Owner apparently seeks to apply here to preclude Walmart from joining the Home Depot IPRs, explicitly carves out motions for joinder under § 315(c) like the one filed by Walmart. Moreover, as stated in Walmart's Motion for Joinder, a joinder petition "effectively neutralizes" Patent Owner's *General Plastic* argument (applying 35 U.S.C. § 314(a) and 37 C.F.R. § 42.108(a)) particularly when the requestor agrees to an "understudy" role as Walmart has here. *See Apple Inc. v. Uniloc 2017 LLC*, IPR2018-00580, Paper 13 at 10 (PTAB Aug. 21, 2018) (instituting a joinder petition where joinder petitioner previously filed a noninstituted IPR, stating joinder petitioner's joinder motion agreeing to a passive understudy role "effectively neutraliz[es] the *General*

Plastic factors"); *see also Celltrion, Inc. v. Genetech, Inc.*, IPR2019-01019, Paper 11 at 10 (PTAB Oct. 30, 2018) (instituting a joinder petition where joinder petition previously filed a noninstituted IPR, stating the joinder motion "effectively obviates any concerns of serial harassment and unnecessary expenditures of resources").

Patent Owner's arguments regarding "efficiency, fairness, and patent quality" are also misplaced. As stated above, Walmart is not seeking to burden the Board or Patent Owner with additional work and has instead agreed to serve as an "understudy" to the proceedings which are already under way. There is no additional burden and no additional work is required. This will actually minimize any potential complications or delay that potentially may result by joinder. *See* IPR2015-01353, Decision Instituting IPR, Paper 11 at 6-7 (granting IPR and motion for joinder because "joinder would increase efficiency by eliminating duplicative filings and discovery, and would reduce costs and burdens on the parties as well as the Board" where petitioners agreed to an "understudy" role and finding that "joinder should not necessitate any additional briefing or discovery from Patent Owner beyond that already required in [the original IPR]."); *see also* IPR2015-01353, Motion for Joinder, Paper 4 at 6-7.

In terms of denial based on the Acting Director in the March 26 Memorandum, Patent Owner does not attempt to engage in a factor-by-factor analysis which is telling that Patent Owner is effectively conceding the majority of these factors. For

the arguments Patent Owner does make, they are easily disproven. For example, for the “strength of the unpatentability challenge,” this is addressed above with respect to *Fintiv* factor 6 and the Board has already found that the Home Depot IPR’s present “strong” arguments regarding invalidity of the relevant patent. IPR2024-01316, Paper 12 at 14.

Similarly, Patent Owner criticizes Home Depot and Walmart’s reliance on expert testimony, but does nothing to explain why citing to an expert’s declaration in an IPR petition is either improper or unexpected. This same argument was considered by the Board when it instituted the Home Depot IPR and found to be insufficient to warrant discretionary denial. *Id.* at 13 (addressing Patent Owner’s arguments regarding reliance on Home Depot’s expert, Dr. Craig Wills). Put simply, there is nothing unusual about relying on expert testimony to support or bolster already “strong” invalidity arguments such as those recognized by the Board.

Patent Owner’s suggestion that Walmart’s financial status justifies discretionary denial has no legal basis. This is not a factor considered or relied on by the Board in its analysis and Patent Owner cites no authority otherwise.

IV. CONCLUSION

The Board should – as it did with the Home Depot IPR – reject Patent Owner’s request for discretionary denial and join Walmart to the Home Depot IPR for all of the above reasons.

CERTIFICATE OF WORD COUNT

Pursuant to 37 C.F.R. §§42.24(d), Petitioner certifies that Petitioner's Response to Patent Owner's Brief on Discretionary Denial includes 2,267 words, as measured by Microsoft Word, exclusive of the table of contents, certificates of service, word count, and exhibits.

Date: July 18, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on July 18, 2025, a copy of the foregoing Petitioner's Response to Patent Owner's Brief on Discretionary Denial has been served via electronic mail upon the following, who has agreed to accept service on behalf of Patent Owner:

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