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Paper No. __

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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ACTIV FINANCIAL SYSTEMS, INC.,
Petitioner,

v.

IP RESERVOIR, LLC,
Patent Owner.

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Case No. IPR2020-01010
Patent No. 10,062,115

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PETITIONER'S REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE

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The Preliminary Patent Owner Response ("POPR") alleges that *Becton, Dickinson* (*B-D*) factors (c), (e) and (f) weigh in favor of discretionary denial. POPR, 13-18. They do not.

A. *B-D* Factor (c): Parsons Was Not Applied To Any Challenged Claim

The assertion that Parsons was "extensively evaluated during examination" (POPR, 13) is misleading. Parsons was never applied to reject challenged claims 43-44, or to any claim that recited order and price engines at all, let alone the numerous other additional limitations added by amendment. Ex. 1002, 1694-1695. Applying *B-D* factor (c) requires considering the extent to which the examiner evaluated ***the manner in which the Petition applies Parsons to the challenged claims***. *Asetek Danmark A/S v. Coolit Systems,* IPR2019-00705, Paper 19, 9-11 (PTAB Sept. 6, 2019) (finding that asserted art applied only against a dependent claim during prosecution weighed ***against*** discretionary denial under factor (c) because "the Examiner did not evaluate Petitioner's assertions that [the art] teaches or suggests most limitations recited in the challenged claims").

Parsons was applied to reject dependent claims ***before*** Applicant wholesale rewrote the claims to their issued form, and at a time when no pending claim recited an order or price engine. Ex. 1002, 1694-1695 (amendment to then claim 42, now claim 43). After the claims were amended to include those limitations, they were allowed without discussing Parsons at all. *Id.,* 1726-1729 (Notice of

Allowance - summarizing Hamati and Kelleher and reciting the ***whole*** of amended claim 43 as the reason for allowance). The record provides no indication of the extent to which—if at all—Parsons was evaluated to determine whether it taught an order engine, price engine or the apparatus recited in any challenged claim.

Vis-à-vis the ***challenged*** claims, the extent of consideration of Parsons is no different than any other art that was of record but not applied to those claims, which weighs heavily against discretionary denial. *Asetek,* IPR2019-00705, Paper 19, 12-13 (absence of evidence that the Examiner considered whether the asserted reference, applied only against dependent claims, met the ***challenged*** independent claims "weigh[ed] strongly against" discretionary denial). The POPR ignored numerous cases cited in the Petition (at 76-77) where the Board instituted despite asserted art being of record. The POPR favorably cites *Husky*, but fails to inform the Board that requests for rehearing (IPR2020-00428, Paper 25) and Precedential Opinion Panel review have been filed because *Husky*'s suggestion that a reference being of record, but not applied against challenged claims, weighs in favor of discretionary denial is inconsistent with a legion of Board cases.

B. *B-D* Factors (e) and (f): How the Examiner Erred

The prosecution history is devoid of explanation of how the examiner viewed Parsons's relevance to the challenged claims; the bare conclusion that "none of the prior art of record" (Ex. 1002, 1729) teaches the challenged claims is

the only finding that can be evaluated for material error. Thus, assessing the Petition's merits is the ***only*** way to assess whether the examiner erred in allowing unpatentable claims. *Bowtech v. MCP IP*, IPR2019-00382, Paper 12, 13 (August 6, 2019).

The Petition's full showing that Parsons renders the challenged claims unpatentable demonstrates ***how*** the Examiner erred (*B-D* factor (e)), and includes expert testimony the examiner did not have (*B-D* factor (f)). Petition 77-78. The POPR fails to allege even a single deficiency in the Petition's showing of unpatentability of the challenged claims over Parsons, which should be fatal to its request for discretionary denial. Patent Owner conflates speculation about ***why*** the Examiner may have erred (which is ***not*** a *B-D* factor), with the requirement to show ***how*** the Examiner erred. POPR, 15-17. *B-D* factor (e) requires a showing of ***how*** (not why) the examiner erred, which was demonstrated by the merits of the Petition's grounds about which the POPR is wholly silent. Petition, 77.

The allegation that the Petition proposed the "same argument" as the Examiner about parallel processing fails. POPR, 16-17 (citing Ex. 1002, 1548). The Petition demonstrates the Examiner erred by failing to recognize that Parsons meets the claimed order and price engines, which were not even in the claims when the Examiner issued the Office Action cited in the POPR.

Respectfully submitted,

Date: October 19, 2020 /Marc S. Johannes/ Reg. No. 64,978

CERTIFICATE OF SERVICE UNDER 37 C.F.R. § 42.6 (E)(4)

I certify that on October 19, 2020, I will cause a copy of the foregoing document, including any exhibits filed therewith, to be served via electronic mail, as previously consented to by Patent Owner, upon the following:

Matthew L. Cutler	mcutler@hdp.com
James B. Luchsinger	bluchsinger@hdp.com

Date: October 19, 2020

/Alexandra H. Kime /
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