

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAP AMERICA, INC.,
Petitioner,

v.

CYANDIA, INC.,
Patent Owner.

IPR2024-01495
Patent 8,578,285 B2

Before JEFFREY S. SMITH, MITCHELL G. WEATHERLY, and
JASON W. MELVIN, *Administrative Patent Judges*.

WEATHERLY, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

A. Background

SAP America, Inc. (“Petitioner”) filed a petition (Paper 1, “Pet.”) to institute an *inter partes* review of claims 1–10, 13, 17, 18, and 36–42 (the “challenged claims”) of U.S. Patent No. 8,578,285 B2 (Ex. 1001, “the ’285 patent”). 35 U.S.C. § 311. Cyandia, Inc. (“Patent Owner”) timely filed

a Preliminary Response. Paper 6 (“Prelim. Resp.”). With our prior authorization, Petitioner and Patent Owner collectively filed four additional briefs including: Petitioner’s Reply to the Patent Owner Preliminary Response (Paper 7, “Reply”); Patent Owner’s Preliminary Surreply (Paper 8, “Surreply”); Petitioner’s Supplemental Brief Regarding *Fintiv* (Paper 9, “Pet. *Fintiv*”); and Patent Owner’s Supplemental *Fintiv* Briefing (Paper 10, “PO *Fintiv*”).

Institution of an *inter partes* review is authorized by statute when “the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a).

Petitioner argues that the challenged claims are unpatentable as obvious under 35 U.S.C. § 103 in view of the combined teachings of WebSphere-Portal,¹ Ben-Natan,² and WebSphere-Everyplace.³

¹ Juan R. Rodriguez, et al., IBM RATIONAL APPLICATION DEVELOPER V6 PORTLET APPLICATION DEVELOPMENT AND PORTAL TOOLS, August 2005 (Ex. 1004, “WebSphere-Portal”).

² Ron Ben-Natan, et al., MASTERING IBM® WEBSHERE® PORTAL, EXPERT GUIDANCE TO BUILD AND DEPLOY PORTAL APPLICATIONS, 2004 (Ex. 1005, “Ben-Natan”).

³ WebSphere-Everyplace refers to a four-volume set of materials including:

- Juan Rodriguez, et al., IBM WEBSHERE EVERYPLACE ACCESS V5 HANDBOOK FOR DEVELOPERS AND ADMINISTRATORS, VOLUME I: INSTALLATION AND ADMINISTRATION, May 2005 (Ex. 1006);
- Juan R. Rodriguez, et al., IBM WEBSHERE EVERYPLACE ACCESS V5 HANDBOOK FOR DEVELOPERS AND ADMINISTRATORS, VOLUME II: APPLICATION DEVELOPMENT, March 2005 (Ex. 1007);

For the reasons explained below, we exercise our discretion to deny the Petition under 35 U.S.C. § 314(a).

B. Related Proceedings

Petitioner identified as a related proceeding the co-pending district court proceeding of *Cyandia, Inc. v. SAP America, Inc. et al*, Case No. 2-24-cv-00096 (E.D. Tex.), filed February 12, 2024 (the “Litigation”). Pet. x; Paper 4, 1. Patent Owner also identifies as being related the proceeding in which Petitioner filed petitions challenging claims in the following related patents: U.S. Patent No. 8,595,641 (IPR2024-01496) and U.S. Patent No. 8,751,948 (IPR2024-01432 and IPR2024-01433). Paper 4, 1.

II. DISCRETIONARY DENIAL UNDER § 314(A)

Patent Owner asserts that the Board should exercise its discretion to deny the Petition. Prelim. Resp. 7; PO Fintiv. We have discretion to deny institution of an *inter partes* review under the provisions of 35 U.S.C. § 314(a) (authorizing institution of an *inter partes* review under particular circumstances, but not requiring institution under any circumstances). *See Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 273 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *SAS Inst. Inc. v. Iancu*, 138 S. Ct. 1348, 1356 (2018) (“[Section] 314(a) invests the Director with discretion on the question whether to institute review” (emphasis omitted)); *Harmonic Inc. v. Avid*

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- Juan R. Rodriguez, et al., IBM WEBSHERE EVERYPLACE ACCESS V5 HANDBOOK FOR DEVELOPERS AND ADMINISTRATORS, VOLUME III: E-MAIL AND DATABASE SYNCHRONIZATION, April 2005 (Ex. 1008); and
 - Juan Rodriguez, et al., IBM WEBSHERE EVERYPLACE ACCESS V5 HANDBOOK FOR DEVELOPERS AND ADMINISTRATORS, VOLUME IV: ADVANCED TOPICS, March 2005 (Ex. 1009).

Tech., Inc., 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“[T]he PTO is permitted, but never compelled, to institute an IPR proceeding.”).

In *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”), the Board articulated a list of factors (“Fintiv Factors”) that we consider in determining whether to discretionarily deny institution based on an advanced stage of a parallel proceeding:

1. whether 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.

Fintiv, Paper 11, 5–6. “These factors relate to whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding.” *Id.* In evaluating these factors, we take “a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.* (citing Patent Trial and Appeal Board Consolidated Trial Practice Guide (“CTPG”) at 55 (November 2019)).⁴

⁴ Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

Petitioner contends that the parallel district-court proceeding does not justify discretionary denial. Pet. 3; Pet. Fintiv. In particular, Petitioner asserts that Fintiv Factors 3, 4 and 6 weigh against discretionary denial and Fintiv Factor 1 is neutral. Pet. Fintiv 1. Patent Owner disagrees and contends that Fintiv Factors 2–6 weigh in favor of discretionary denial. PO Fintiv 1–2. In our analysis below, we address each Fintiv Factor in turn.

A. Fintiv Factor 1: Existence or Likelihood of a Stay

Neither party has moved for a stay in the Litigation. Pet. Fintiv 1; Prelim. Resp. 7–8. Petitioner contends that it will move for a stay if we institute an *inter partes* review. Pet. Fintiv 1. Patent Owner contends that Judge Gilstrap “frequently denies stays” in patent cases involving parallel *inter partes* review proceedings. Prelim. Resp. 7–8. We will not speculate on the likelihood of whether a stay will be entered in the Litigation and find that Fintiv Factor 1 is neutral.

B. Fintiv Factor 2: Trial Date

Trial is set to begin in the Litigation on October 6, 2025, about six months before the deadline for entering a final written decision in this proceeding. Pet. Fintiv 1; Prelim. Resp. 8. Patent Owner contends that the median time to trial in the Eastern District of Texas is 21.9 months, which implies that trial would begin on December 12, 2025, about four months before the deadline for entering a final written decision in this proceeding. Prelim. Resp. 8. Under these circumstances, Patent Owner argues that Fintiv Factor 2 weighs “moderately to strongly in favor” of discretionarily denying institution. PO Fintiv. 1.

Petitioner contends that Fintiv Factor 2 “only slightly favors denial” because the October trial date is “uncertain due to the pending transfer

motion and cross-motion.”⁵ Pet. Fintiv 1; *see also* Pet. 3 (indicating that Petitioner’s motion to transfer and Patent Owner’s cross-motion to transfer are pending in the Litigation). On March 28, 2025, and with our authorization, Patent Owner filed the district court’s order denying both motions to transfer. Ex. 2009.

When, as here, the trial date is set to be earlier than the projected deadline for entering a final written decision, “the Board generally has weighed this fact in favor of exercising authority to deny institution.” *Fintiv*, at 9. Because the trial date is set and the uncertainty in that date has diminished considerably due to the district court’s denial of both motions to transfer the Litigation to a different venue, we find that Fintiv Factor 2 weighs in favor of discretionarily denying institution.

C. Fintiv Factor 3: Investment in District Court

The parties disagree about how we should weigh the evidence related to Fintiv Factor 3. In the Litigation, a *Markman* hearing is set for April 24, 2025,⁶ about two weeks after our decision on institution. Ex. 3001, 9. To date, the district court has not issued any substantive orders, held hearings, or otherwise invested resources on invalidity issues. Pet. Fintiv 1–2. Initial expert reports are due May 12, 2025, and expert discovery closes June 23, 2025. *Id.* at 2. Petitioner filed the Petition about four months after it

⁵ Petitioner moved to change the venue of the Litigation to the Northern District of California, and Patent Owner has cross-moved to change the venue of the Litigation to the District of Delaware. Ex. 3001, 2, 5.

⁶ The original date of the *Markman* hearing was April 2, 2025, but the hearing was continued to April 24, 2025, on March 25, 2025. Ex. 3001, 9.

received infringement contentions in the Litigation. Pet. Fintiv 2 (citing Ex. 2006, 4); PO Fintiv 2.

On these facts, Petitioner argues that Fintiv Factor 3 weighs against discretionary denial. Pet. Fintiv 1–2. Patent Owner argues that Fintiv Factor 3 weighs in favor of discretionary denial or is “at least neutral” because “the parties have expended significant fact discovery, and the *Markman* hearing will be held before institution.” PO Fintiv 2. Patent Owner also argues that the four-month time between its service of infringement contentions and the filing of the Petition constitutes “substantial delay” that favors discretionary denial under Fintiv Factor 3. *Id.* (citing *AT&T Servs. v. ASUS Tech.*, IPR2024-00992, Paper 14 at 12 (P.T.A.B. Dec. 16, 2024) (five months between infringement contentions and the petition is a “substantial delay”)).

“If, 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.” *Fintiv*, 10. The district court has not issued substantive orders related to the ’285 patent, and the district court has continued the *Markman* hearing to a date two weeks after the deadline for our institution decision. On March 26, 2025, in its order denying the parties’ motions to change venue and when commenting upon the effect of a transfer on judicial economy, the district court remarked that “this case is still in its early stages” and found that factors of judicial economy as it related to transfer were “neutral.” Ex. 2009, 9. Under these circumstances, we find that Fintiv Factor 3 weighs against discretionarily denying institution.

D. Fintiv Factor 4: Overlap with Issues Raised in District Court

Petitioner has stipulated that “should IPR be instituted in IPR2024-01432, 2024-01433, 2024-01495, or 2024-01496, SAP will not pursue in the [Litigation] any ground of unpatentability that is raised or reasonably could have been raised in any instituted IPR.” Ex. 1045. We consider such a stipulation to be substantively the same as the one entered in *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 13 (PTAB Dec. 1, 2020) (precedential as to § II.A). The *Sotera* decision found that the presence of such a stipulation “ensures that an *inter partes* review is a ‘true alternative’ to the district court proceeding” and therefore “weighs strongly” against discretionarily denying institution. *Sotera*, 19. Petitioner also contends, without being specific, that “most of the challenged claims will be dropped from the district court.” Pet. Fintiv 2; *see also* Ex. 3001, 7 (Order Focusing Asserted Claims and Prior Art References to Reduce Costs). Patent Owner argues that Petitioner’s *Sotera* stipulation will have limited effect in reducing the overlap of patentability issues being addressed in both fora because “Petitioner intends to rely on the WebSphere system described in the Petition’s cited art.” PO Fintiv 2 (citing Ex. 2007 ¶¶ 2–3). Neither party provides specific details on the degree to which Petitioner’s obviousness challenge here is duplicated in Petitioner’s invalidity contentions in the Litigation or whether other invalidity defenses are also raised in the Litigation.

Although Petitioner has filed a *Sotera* stipulation, we agree with Patent Owner that the stipulation has limited practical effect in reducing the overlapping efforts here and in the Litigation. Petitioner contends in the district court that the system described in the WebSphere materials renders

at least some of the challenged claims invalid. Because Petitioner cannot challenge claims in this proceeding based on a public use or sale of the WebSphere system, Petitioner's *Sotera* stipulation would not prevent Petitioner from asserting an invalidity defense in the district court based on the public use or sale of the WebSphere system. We understand that, in the Litigation, Petitioner has relied upon the WebSphere publications as prior art, presumably as evidence describing the WebSphere system that was publicly used and on sale.

Regardless of any decision rendered in this proceeding on the patentability of the challenged claims based on the WebSphere printed publications, Petitioner may continue to press an invalidity defense based on the same evidence presented here. Additionally, it appears that all claims being contested as invalid in the Litigation are also subject to a challenge in the Petition. The narrowing of asserted claims in the Litigation, if it occurs, will streamline the parties' overall dispute on invalidity if we decide to discretionarily deny institution. So, a majority of the parties' work that would be done here will also be required in the Litigation regardless of whether we institute review. Accordingly, we do not consider the presence of the *Sotera* stipulation in our case to ensure that *inter partes* review would be a "true alternative" to the Litigation. On balance, we find that Fintiv Factor 4 weighs in favor of discretionarily denying institution.

E. Fintiv Factor 5: Whether Petitioner Is Defendant in District Court

The fact that Petitioner is also the defendant in the Litigation weighs in favor of discretionarily denying institution.

F. Fintiv Factor 6: Other Circumstances Including Merits

Under *Fintiv*, “if the merits of a ground raised in the petition seem particularly strong on the preliminary record, this fact has favored institution.” *Fintiv*, 14–15. *Fintiv* further instructs us that: “In such cases, the institution of a trial may serve the interest of overall system efficiency and integrity because it allows the proceeding to continue in the event that the parallel proceeding settles or fails to resolve the patentability question presented in the PTAB proceeding.” *Id.* at 15.

Petitioner argues that its arguments that the challenged claims are unpatentable are “compelling” because Patent Owner is “relying on strained claim constructions that contradict its infringement contentions and raising apparent anticipation arguments (that a single prior art embodiment allegedly does not disclose every claim element) without squarely addressing obviousness.” Pet. Fintiv 2 (citing Prelim. Resp. 15–37, Surreply 2–9). Essentially, Petitioner contends that its obviousness challenge turns on claim interpretation. We agree with Petitioner that currently Patent Owner’s arguments read like an opposition to an anticipation challenge. Of course, Patent Owner would be free to proffer additional arguments in opposition to the obviousness challenge during a trial, so a trial may present issues that are currently not disputed.

We decline to characterize the merits as sufficiently strong to overcome the other factors. That is not to say we view Petitioner’s case as marginal or close. Rather we determine that the other factors are more persuasive here. Although Petitioner’s challenge is straightforward and definitely meets the standard for institution, even when balanced against Patent Owner’s counterarguments, we do not find the challenge to be

sufficiently strong to outweigh the evidence discussed above in connection with Fintiv Factors 1–5. When reviewing all other circumstances, we find that Fintiv Factor 6 is neutral.

G. Conclusion

Fintiv Factor 3 is the only factor that weighs against a discretionary denial under § 314(a). Fintiv Factors 1 and 6 are neutral, and Fintiv Factors 2, 4, and 5 weigh in favor of a discretionary denial. We find particularly significant that, if we were to institute review and trigger Petitioner’s *Sotera* stipulation, Petitioner would remain free to pursue a system-based invalidity challenge in the district court based on essentially the same prior art that would be at issue here. On balance, we find that a holistic weighing of all six Fintiv Factors warrants our exercise of discretion under § 314(a) to deny institution of review so that the entire dispute between the parties may be resolved in the Litigation.

III. ORDER

For the reasons given, it is:

ORDERED that *inter partes* review of claims 1–10, 13, 17, 18, and 36–42 of U.S. Patent No. 8,578,285 B2 is *not instituted*.

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