

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HUAWEI TECHNOLOGIES CO., LTD.
Petitioner

v.

WSOU INVESTMENTS, LLC D/B/A BRAZOS LICENSING AND
DEVELOPMENT
Patent Owner

IPR2021-01012
U.S. PATENT NO. 6,704,304

PATENT OWNER PRELIMINARY RESPONSE TO PETITION

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EXHIBIT LIST

2001	Court Order dated August 4, 2021, issued through e-mail from Evan Pearson, Law Clerk to the Hon. Alan D. Albright, United States District Court – Western District of Texas.
2002	Court Order dated August 13, 2021, No. 6:20-cv-00889-ADA, Dkt. 55.
2003	Relevant portion of WSOU’s Opening Claim Construction brief, as filed in No. 6:20-cv-00889-ADA, Dkt. 42.

I. INTRODUCTION

WSOU Investments, LLC d/b/a/ Brazos Licensing and Development (the “Patent Owner” or “WSOU”) submits this Preliminary Response to the Petition for *Inter Partes* Review (“Pet.” or “Petition”) of United States Patent No. 6,704,304 (“the ’304 patent” or “Ex. 1001”) filed by Huawei Technologies Co., Ltd. (“Huawei” or “Petitioner”).

As a threshold procedural matter, the Board should exercise its discretion to deny institution under 35 U.S.C. § 314(a). Among other relevant factors favoring denial, the parallel litigation involving the same parties is already past the *Markman* stage and well into discovery, the ground presented in the Petition completely overlap those in the parallel litigation, and jury trial is scheduled to be complete nearly six months prior to the statutory deadline for a final written decision.

Because denial is independently warranted under at least 35 U.S.C. § 314(a), the Board need not reach the substantive merits of the Petition. A substantive analysis is nevertheless presented herein because the Board has held that “weakness on the merits” or even a “closer call” weigh in favor of discretionary denial under § 314(a), particularly where other factors supporting denial are present. As explained further below, the Petition should be denied in its entirety as failing to meet the threshold burden of proving a reasonable likelihood that any challenged claim is unpatentable.

The Petitioner purports to assert three redundant grounds to the sole independent claim of the ’304 patent (i.e., claim 1). Pet. 5. Petitioner opted to assert

as its primary challenge (Ground 1) an anticipation theory based on a reference (Farris) which Petitioner acknowledges was cited *by the examiner* during prosecution. *Id.* The Petition also relies upon another reference also cited on the face of the '304 patent in raising a redundant challenge to claim 3. Dependent claim 3 is excessively challenged by no less than *ten* alternative theories, each one failing to apply a correct means-plus-function claim construction. These circumstances favor discretionary denial under § 325(d), as explained further below.

II. OVERVIEW OF THE '304 PATENT

The '304 patent is entitled “Selective Establishment of Telecommunications Connections Over Packet and Circuit Switched Networks.” The '304 patent issued on Mar. 9, 2004, from U.S. Patent Application No. 09/588,248 filed on Jun. 6, 2000. The Abstract of the '304 patent provides the following overview of certain embodiments and example technical advantages associated therewith:

A calling and called telecommunications station are each connected to a packet access network. The packet access network under the control of a server system, determines whether an originating call should be routed via a core packet network, such as the Internet, or a Public Switched Telephone Network (PSTN). If the expected delay of packets through the core packet network is excessive, then the call will be connected through the Public Switched Telephone Network. If, during the course of a call, the packet delay becomes excessive, and causes the quality of voice transmission to be below acceptable standards, the call is switched from the packet network to the Public Switched Telephone Network. Advantageously, as many calls as can be handled by the packet network are switched through that network,

thus resulting in substantial savings to the customer. Advantageously, the embedded PSTN can be used productively to handle overflows from the core packet network. Advantageously, the quality of voice calls through the core packet network can be maintained by re-routing existing calls through the PSTN when necessary.

Ex. 1001, Abstract. §

III. RELATED PROCEEDINGS

The '304 patent is involved in the following parallel litigation: *WSOU Investments, LLC d/b/a Brazos Licensing and Development v. Huawei Technologies Co., Ltd., et al.*, Civ. No. 6:20-cv-00889, filed in the Western District of Texas on Sep. 29, 2020.¹ While the Petition identifies other litigations involving the same parties, as Petitioner acknowledges, none of the patents asserted on those other matters is related to the '304 patent at issue here. Pet. 2.

IV. GIVEN THE UPCOMING TRIAL IN PARALLEL LITIGATION, THE BOARD SHOULD EXERCISE DISCRETION UNDER 35 U.S.C. § 314(A), *NHK SPRING*, AND *APPLE V. FINTIV* TO DENY INSTITUTION

As a threshold and dispositive issue, discretionary denial is warranted under 35 U.S.C. § 314(a) because institution would be an inefficient duplication of multiple pending litigations. Under § 314(a), the Director has discretion to deny institution. *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016). As noted above, the '304 patent is at issue in *WSOU Investments, LLC d/b/a Brazos Licensing*

¹ Page 2 of the Petition incorrectly identifies the parallel litigation as No. 6:20-cv-00893, though the table on page 3 of the Petition correctly identifies one the parallel litigation asserting the '304 patent as No. 6-20-cv-00889.

and Development v. Huawei Technologies Co., Ltd., et al., Civ. No. 6:20-cv-00889, filed in the Western District of Texas on Sep. 29, 2020.

The Board considers the presence and status of parallel district court litigation in determining institution. *NHK Spring Co., Ltd. v. Intri-plex Technologies*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential) (“*NHK*”) and *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”); *see also General Plastic Industrial Co., Ltd. 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.”).

The precedential *Fintiv* opinion sets forth a non-exhaustive list of factors that balance considerations of system efficiency and fairness when a patent owner raises an argument for discretionary denial due to the advanced state of a parallel proceeding(s). *Fintiv*, IPR2020-00019, Paper 11 at 5–6. The factors are:

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.

Id.

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. As explained below, there is some overlap among these factors. Some facts may be relevant to more than one factor. Therefore, in evaluating the factors, the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review. *See* Consolidated Trial Practice Guide November 2019 (“TPG”) at 58 (quoting 35 U.S.C. § 316(b)). A holistic view of the factors set forth in *Fintiv* reveal the present circumstances favor discretionary denial.

1. *Whether a stay exists or evidence exists that one is likely to be granted if a proceeding is instituted*

The first factor favors denial. Factor 1 asks whether “evidence exists that [a stay] may be granted if a proceeding is instituted.” *Fintiv*, Slip. Op. 6. The parallel litigation is not stayed, Petitioner has not moved the Court to stay, Petitioner offers no *evidence* that an opposed stay would be granted if an IPR trial is instituted, and the record evidence shows it is unlikely Petitioner would file a motion to stay pending IPR *even if an IPR trial is instituted*. In short, all evidence before the Board only supports a finding that it is *unlikely* the parallel litigation will be stayed if institution is granted.

Petitioner has not persuasively established it would likely file a motion for stay if an IPR is granted, much less that the Court would likely grant such a motion. The Board should not give any weight to Petitioner’s *noncommittal* assertion that it “currently plans to seek a motion to stay after the Board’s decision to institute IPR.”

Pet. 75. Petitioner Huawei has repeatedly made similar noncommittal assertions in other IPR matters involving the same parties. *See, e.g.*, the eight petitions filed by Huawei in IPR2021-00222 *through* IPR2021-00229. It has been months since the Board granted institution in some of those other IPR proceedings involving the same parties, yet Huawei has still opted to not file a single motion for stay pending IPR in *any* of the corresponding litigations.

In view of this evidence, which establishes a pattern of behavior by Huawei, the Board should not accept Huawei at its word when it states here, precisely as it did in those other matters, that it merely “plans” to seek a motion to stay if institution is granted. Pet. 75. The likelihood of stay is effectively zero in view of Huawei’s consistent and repeated practice of *not* seeking a stay in parallel litigation between the same parties, even after an IPR is instituted. Given no motion for stay has been filed, and further given there is no credible evidence such a motion *will ever* be filed, this factor weighs in favor of denial.

Even if one were to set aside Huawei’s established practice of not seeking a stay when a parallel IPR is instituted, all record evidence before the Board only supports a finding that it is *unlikely* such a *hypothetical* motion would be granted here. *Fintiv* factor 1 is worded in a manner that requires the Board to infer, based on presently available evidence, the *likelihood* of whether a stay is likely to be granted if a proceeding is instituted. *Fintiv*, Slip. Op. 6. It asks not only “whether the court granted a stay” *but also* whether “evidence exists that [a stay] may be granted if a proceeding is instituted.” The instruction in the precedential *Fintiv*

opinion expressly *requires* an evidence-based inquiry in the absence of a stay in parallel litigation. *Id.*

Since *Fintiv*, designated progeny opinions have confirmed that this factor requires an evidence-based, inferential inquiry in the absence of a stay in parallel litigation. *See, e.g., Sand Revolution II, LLC v. Continental Intermodal Group*, IPR2019-01393, Paper 24, at 11 (PTAB June 16, 2020)) (precedential); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12 (PTAB May 13, 2020) (informative) (“*Fintiv II*”). In *Fintiv II*, the Board declined to infer “based on actions taken in different cases *with different facts*.” This does not preclude, and rather invites, inferring based on *consistent actions* taken in different cases *with analogous facts*. There is simply no other way to evaluate the *likelihood* of a particular outcome (as required under *Fintiv* factor 1) on an opposed motion to stay that has yet to be filed.

WSOU is the only party to offer relevant evidence on this factor. The only record evidence before the Board clearly shows that the District Court has consistently denied opposed motions to stay under similar circumstances. As Huawei no doubt was aware when it filed its Petition, Judge Albright has repeatedly listed the following factors in consistently denying opposed motions to stay pending PTAB review in a parallel proceeding:

- (1) The PTAB has not instituted the [parallel proceeding].
- (2) Even if the PTAB institutes, the Court anticipates that the trial date will occur before the PGR’s final written decision.

- (3) Allowing this case to proceed to completion will provide a more complete resolution of the issues including infringement, all potential grounds of invalidity, and damages.
- (4) The Court believes in the Seventh Amendment.
- (5) Plaintiff opposes the stay.

Kerr Machine Co. d/b/a Kerr Pumps v. Vulcan Industrial Holdings, LLC, No. 6-20-cv-00200, (W. D. Tex. Aug. 2, 2020); *Kerr Machine Co. d/b/a Kerr Pumps v. Vulcan Industrial Holdings, LLC*, No. 6-20-cv-00200, Dkt. 76 (W. D. Tex. Apr. 7, 2021) (denying the motion to stay after the PTAB instituted the parallel proceeding, and listing the same latter four factors); *Continental Intermodal Group - Trucking LLC v. Sand Revolution LLC et al.*, No. 7-18-cv-00147, Dkt. 147 (W.D. Tex. July 22, 2020) (listing analogous factors).

Judge Albright has also listed additional factors, equally relevant here, in denying an opposed motion to stay in *Multimedia Content Management LLC v. DISH Network LLC*, No. 6-18-cv-00207, Dkt. 73 (W.D. Tex. May 30, 2019). There, the Court stated it “has invested significant resources and time in construing all the contested claim terms.” *Id.*, Slip Op. 5. The Court also found it “particularly crucial” that the defendant opted to not file for a stay until “after the Parties had briefed and argued claim construction at the Markman hearing.” This factor “outweighed any future expense that the Parties might occur” in litigation, even though discovery had “not yet begun” and “great expense” was still anticipated. *Id.*

Applying the same reasoning here underscores the likelihood that the Court will deny an opposed motion to stay. Here, the advanced stage of the parallel

litigation is evidenced by at least the following example facts: *Markman* proceedings in parallel litigation are *complete*, general fact discovery has long been *open*, and by the time the Board renders a decision on institution, the parties will have served their final infringement and invalidity contentions.

Patent Owner WSOU is not aware of even one instance in which Judge Albright granted an opposed motion to stay after IPR institution under similar circumstances. Even if the Board were to institute trial here, Judge Albright has publicly stated that he generally does not stay trial for an instituted IPR proceeding. For example, Judge Albright has declined to even consider a stay request brought after IPR institution and shortly before the claim construction hearing, explaining, “I’m not going to stay the case based on the IPR institution and we are set for trial.” *MV3 Partners, LLC v. Roku, Inc.*, No. 6:18-cv-00308-ADA, Dkt. 83 at 53 (W.D. Tex. July 22, 2019). In *Kerr Machine*, Judge Albright denied a renewed motion to stay, even after the PTAB instituted the parallel proceeding, and listed the same factors the Court had previously articulated. *Kerr Machine*, Dkt. 76, Slip. Op. 1. This no doubt explains why Huawei has opted to not seek any stay even in those instances where the Board instituted a parallel IPR proceeding.

Thus, in properly applying *Fintiv* factor 1, the only record evidence before the Board supports weighing this factor in favor of denial. Application of Judge Albright’s repeated and consistent reasoning is as follows: (1) even if an IPR is instituted, the litigation trial date is scheduled to occur before the statutory deadline for a final written decision; (2) allowing this case to proceed to completion will

provide a more complete resolution of the issues including infringement, all potential grounds of invalidity, and damages; (3) nothing here changes the Court’s oft-repeated expression of belief in the Seventh Amendment; (4) any motion to stay the parallel litigation pending IPR would be opposed; (5) the Court has invested significant resources and time in construing all the contested claim terms; (6) Huawei opted to not file any motion to stay prior to the completion of *Markman* proceedings; and (7) the parallel litigation has already proceeded well past *Markman* and the opening of general fact discovery. Collectively, the above factors repeatedly articulated by the Court—and *all present here*—establish a strong likelihood that the Court will deny an opposed motion to stay pending IPR, in the highly unlikely event that Huawei eventually seeks to stay.

Petitioner Huawei has not presented *even one factor* allegedly relevant here, much less a half-dozen counterweighting factors, to support an inference that the Court will likely grant an opposed motion to stay pending IPR. Huawei argues “it is unclear how Judge Albright would rule on a motion to stay for the particular lawsuit involving the ’304 patent, especially after IPR is instituted against the ’304 patent months before Patent Owner narrows the number of asserted claims (February 2022) and long before expert reports/discovery [sic] (March 2022).” According to Huawei, the alleged facts present a “cloud of uncertainty.” *Id.* But Huawei points to no decision by Judge Albright that granted a motion to stay due to the circumstances Huawei identified—i.e., because an institution decision predated the narrowing of claims in litigation or the service of opening expert reports. Huawei

does not even identify one decision by Judge Albright finding that similar facts were even relevant to an opposed motion to stay, particularly where the case had already proceeded past *Markman* and the opening of fact discovery.

Accordingly, in view of the record before the Board, this factor is not neutral, as Petitioner argues, but rather it weighs in favor of denial.

2. *proximity of the court's trial date to the Board's projected statutory deadline*

The second factor favors denial because trial in District Court would precede a final written decision if an IPR trial is instituted here. In the one and only parallel litigation involving the '304 patent, Case No. 6-20-cv-00889, the District Court has set a trial date for June 27, 2022. Ex. 2001. Thus, trial in District Court would occur nearly *six months* before the statutory deadline for a final written decision. Multiple precedential decisions have found this factor favors denial under similar circumstances. *See, e.g., Fintiv*, IPR2020-00019, Paper 15, Slip. Op. at 13 (“Because the currently scheduled District Court trial is scheduled to begin two months before our deadline to reach a final decision, this factor weighs somewhat in favor of discretionary denial in this case.”); *NHK*, IPR2018-00752, Paper 8, Slip. Op. at 19–20 (finding that a district court trial date set for nearly six months prior to the PTAB deadline for a final written decision favored denying institution).

In addressing this factor, Petitioner Huawei argues “[t]here is, in effect, no certain date for a jury trial that specifically addresses the '304 patent.” Pet. 76. Huawei based this argument on alleged uncertainty from the District Court’s original scheduling order. *Id.* It is telling that Huawei vehemently opposed WSOU’s request

that the District Court address the alleged uncertainty concerning the trial date set for the parallel litigation. The strategic purpose for Huawei's opposition is quite clear. Huawei knew that its position here would be rendered moot if the Court were to confirm it had set a certain trial date specific to the parallel litigation. Within just hours of a hearing addressing this topic, the Court confirmed (via email from the clerk) that the trial date for the parallel litigation is set for June 27, 2022. Ex. 2001. The Court subsequently entered a corresponding Order. Ex. 2002.

The cases cited in the Petition are all inapposite here, particularly in view of the Court's Order stating that June 27, May 23, 2022 is the set trial date for the parallel litigation. Pet. 76-77. Unlike the authority cited in the Petition, there is no "uncertainty" here concerning the trial date in the parallel litigation, nor is there a "broad range of 'predicted' trial dates" that are applicable here. *Id.* (citations omitted). The more applicable authority here is the precedential *Fintiv* and *NHK* decisions themselves, which both support a finding that the six-month lead time for completion of the parallel litigation favors denial. *See, e.g., Fintiv*, IPR2020-00019, Paper 15, Slip. Op. at 13 (two-month difference); *NHK*, IPR2018-00752, Paper 8, Slip. Op. at 19–20 (nearly six-month difference). *Fintiv* further instructs that the Board "generally take[s] courts' trial schedules at face value absent some strong evidence to the contrary." *Fintiv*, IPR2020-00019, Paper 15, Slip. Op. at 13.

Under the circumstances addressed above, this factor favors denial.

3. *investment in the parallel proceeding by the court and parties*

The third factor favors denial because, at the time of the anticipated decision on institution, the investment in the co-pending litigation will already have been significant. Petitioner Huawei erroneously suggests that the Board should examine the investment in the parallel proceeding as of the filing date of the Petition. Pet. 78. The relevant timeframe to consider, however, is the expected decision on institution.

When this factor is analyzed under the proper perspective, the investment in the parallel proceeding by the Court and the parties is significant. For example, the parties have already exchanged infringement contentions and invalidity contentions. Pet. 78. In addition, claim construction briefing is complete and the Court conducted the *Markman* hearing on Aug. 10, 2021. For all cases discussed during the *Markman* hearing, the Court adopted as its final claim constructions the preliminary constructions it had previously issued based upon the Court's careful review of the briefing. Judge Albright has expressly acknowledged, in denying a motion to stay pending IPR review, that the Court must "invest[] significant resources and time in construing all the claims." *Multimedia Content Management LLC v. DISH Network LLC*, Civ. No. 6-18-cv-00207 (W.D. Tex. May 30, 2019).

The Court has also invested time and resources in resolving other party disputes. For example, Huawei argued in its Petition here that the Court's original scheduling order failed to provide even a "hint" for when trial would occur in the parallel litigation. Pet. 76. Nevertheless, as noted above, Huawei vehemently opposed WSOU's request that the District Court address the alleged uncertainty

concerning the trial date set for the parallel litigation. The Court held a hearing on this topic and then issued an order which clearly listed a certain date for each of the six pending cases at issue involving the same parties. Ex. 2001; *see also WSOU Investments, LLC d/b/a Brazos Licensing and Development v. Huawei Technologies Co., Ltd., et al.*, Civ. No. 6:20-cv-00889, Minute Entry (Dkt. 49) (W.D. Tex. Aug. 4, 2021). The Court subsequently entered a corresponding Order expressly providing “[a] trial date of June 27, 2022” for Civ. No. 6:20-cv-00889. Ex. 2002.

The reasoning in *Fintiv II* (designated informative) is also instructive here. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15, Slip. Op. at 13–14 (PTAB May 13, 2020) (informative) (“*Fintiv II*”). There, the Board found *Fintiv* factor three weighs in favor of discretionary denial due to certain analogous facts. *Id.* For example, after emphasizing the completion of the *Markman* proceedings, the Board stated, “[b]ased on the level of investment and effort already expended on claim construction and invalidity contentions in the District Court, this factor weighs somewhat in favor of discretionary denial in this case.” *Id.* The Board reached this finding even after expressly “recogniz[ing] that much work remains in this case as it relates to invalidity: fact discovery is in its early stages, with document production ongoing and depositions just getting underway, expert reports are not yet due, and substantive motion practice is yet to come.” *Id.* Applying analogous reasoning here, this factor weighs in favor of discretionary denial.

4. *overlap between issues raised in the petition and in the parallel proceeding*

The fourth factor is neutral under the circumstances. *Fintiv* states, “if the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial.” Slip. Op. 12. Petitioner Huawei admits it raises “overlapping” grounds of alleged invalidity in the petition and in the parallel litigation. Pet. 73 (alleging Huawei “provided a stipulation akin to *Sand Revolution* to eliminate overlapping prior art grounds between the instituted IPR proceeding and the Related Litigation”); *see also id.*, 80. As Huawei acknowledges, it raises the same references against the same claims as it did in its invalidity contentions served in litigation. The undisputed overlap weighs in favor of denial.

Huawei argues that, under the reasoning in *Sand Revolution*,² concerns regarding the undisputed overlap here are “eliminate[d]” by what Huawei refers to as a “stipulation” emailed to litigation counsel (though never filed with the District Court) prior to the filing date of the Petition. Pet. 73 (citing Ex. 1102). Huawei overlooks distinctions from the authority it cites.

In *Sand Revolution*, the Board observed that the petitioner there had argued that the overlap between parallel proceedings is “minimal.” *Sand Revolution*, Slip. Op. 12 at 11. Huawei failed to raise any such argument here.

² *Sand Revolution II, LLC v. Continental Intermodal Group – Trucking LLC*, IPR2019-01393, Paper 24 at 11–12 (June 16, 2020) (informative)).

In addition, *Sand Revolution* explained the petitioner there “could have stipulated that it would not pursue any ground raised ***or that could have been reasonably raised in an IPR***, i.e., any ground that could be raised under §§ 102 or 103 on the basis of prior art patents or printed publications.” Here, Huawei also could have offered the more restrictive stipulation addressed in *Sotera* and *Sand Revolution* prior to filing its Petition, particularly given the Petition cites to both opinions. But Huawei opted not to do so, arguing instead that its less restrictive stipulation was sufficient to “eliminate” concerns arising from overlapping issues. Pet. 73.

Contrary to what Huawei argues, the Board has found less restrictive petitioner stipulations, such as the one relied upon in the Petition, do not “mitigate the ‘concerns of inefficiency and the possibility of conflicting decisions,’” nor do they “ensure that an inter partes review is a ‘true alternative’ to the parallel District Court proceeding.” *Samsung Electronics Co., LTD, et al. v Clear Imaging Research, LLC*, IPR2020-01400, Paper 13 at 21 (PTAB Feb. 3, 2021) (citing *Fintiv*, Slip. Op. 12); *see also SharkNinja Operating LLC v. iRobot Corporation*, IPR2021-00544, Paper 7 at 10-12 (PTAB June 25, 2021); *3Shape Trios A/S v. Densys Ltd.*, IPR2021-00236, Paper 12 at 8-12 (PTAB May 20, 2021).

It is expected Huawei will soon seek supplemental briefing to address what it has referred to in other matters (involving the same parties) as a revised litigation stipulation. As explained in Patent Owner’s supplemental briefing in those other matters, however, Huawei failed to timely enter its revised stipulation into the record

as an exhibit to the respective petition, or even as a proper exhibit to a *compliant* supplemental brief in those other matters. Accordingly, given that no such revised stipulation may be considered part of the record before the Board here, or as properly offered as part of the record in those other matters, Patent Owner does not address the same here.

Under the distinguishing circumstances, and in view of Huawei's gamesmanship here, this factor should be deemed neutral.

5. *whether the petitioner and the defendant in the parallel proceeding are the same party*

The fifth factor considers “whether the petitioner and the defendant in the parallel proceeding are the same party.” *Fintiv*, Slip. Op. 5–6, 13–14. In *Sand Revolution*, the Board instructed that “this [fifth] factor weighs in favor of discretionary denial” where “a petitioner in inter partes review and defendant in a parallel district court proceeding are the same.” *Sand Revolution*, Slip. Op. 12–13. This factor clearly favors denial.

Petitioner Huawei argues this factor is neutral ostensibly “because the actual date of a jury trial involving the ’304 patent is uncertain.” Pet. 81. Huawei's assertions of uncertainty are rendered moot by the Court ordering a certain trial date for the parallel litigation involving the ’304 patent. Exs. 2001–2002. As noted above, in addressing *Fintiv* factor two, the date set for the commencement of trial (June 27, 2022) precedes the statutory deadline for a final written decision by approximately six months. *Id.* Under the circumstances, there can be no question that this factor favors denial.

6. *other circumstances that impact the Board's exercise of discretion, including the merits*

The sixth factor favors denial. *Fintiv* states, “if the merits of the grounds raised in the petition are a closer call, then that fact has favored denying institution when other factors favoring denial are present.” Slip. Op. 15 (citations omitted). Several circumstances here weigh in favor of exercising discretion to deny institution.

First, as discussed below, the Petition fails to present a strong case. Institution would thus be an inefficient use of the Board's resources. *See* § VIII, *infra* (including subsections thereof).

Second, the primary theory of the Petition purports to rely exclusively on a reference (Farris) that the Office already considered and found distinguishable from the claims that issued. This additional circumstance provides an independent basis to exercise discretion to deny under § 325(d), as explained further below. *See* § V, *infra*.

Third, the *six-month* difference between anticipated completion of parallel proceedings exacerbates all other concerns.

7. *Holistic assessment of the Fintiv factors*

For the convenience of the Board, the above analysis of the *Fintiv* factors may be generally summarized as follows:

1. Factor 1 **favors denial**, given at least (1) no party has moved for a stay pending IPR, (2) any stay request pending IPR would be opposed by Patent Owner, (3) no evidence exists that a stay would be granted if an IPR proceeding is instituted, (4) all record evidence before the Board only underscores the unlikelihood that the District Court would grant

an opposed motion to stay *if* one is filed; and (5) Petitioner has demonstrated a repeated and consistent pattern of not moving the Court to stay even after a parallel IPR is granted;

2. Factor 2 **favours denial** because the parallel litigation will be completed nearly six months before the deadline for competition of an IPR trial if instituted;
3. Factor 3 **favours denial**, given the significant investment in the parallel proceeding by the Court and the parties, including, for example, the (1) completion of *Markman* briefing, the (2) service of invalidity and infringement contentions, and (3) ongoing discovery efforts in multiple litigations between the parties;
4. Factor 4 is **neutral**, given the undisputed overlap between the parallel proceedings and further given Petitioner's gamesmanship in applying a shifting, wait-and-see approach to its conditional stipulation;
5. Factor 5 **favours denial** because the named petitioners here and the defendants in the parallel litigation are the same parties; and
6. Factor 6 **favours denial** due at least to the additional circumstances addressed herein.

As shown by the analysis summarized above, a holistic view of the factors set forth in *Fintiv* reveals the present circumstances favor discretionary denial.

V. THE PETITION RELIES ON PREVIOUSLY CONSIDERED ART AND SHOULD BE DENIED UNDER § 325(D)

The Board should exercise its discretion to deny under § 325(d) because the Petition presents “the same or substantially the same prior art or arguments previously . . . presented to the Office” and Petitioner failed to meet its burden to show material error with respect to such art. 35 U.S.C. § 325(d); *see also Advanced*

Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH, IPR2019-01469, Paper 6 (PTAB Feb. 13, 2020) (precedential) (“*Advanced Bionics*”); *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 (PTAB Dec. 15, 2017) (precedential as to Section III.C.5, first paragraph) (“*Becton*”).

Advanced Bionics reiterates that “[i]f the ‘same or substantially the same prior art or arguments previously were presented to the Office,’ then the Board’s decisions generally have required a showing that the Office erred in evaluating the art.” *Advanced Bionics*, Slip. Op. at 8 (citing *Becton*, Slip. Op. at 24). Under such circumstances, “[i]f reasonable minds can disagree regarding the purported treatment of the art or arguments, it cannot be said that the Office erred in a manner material to patentability. At bottom, this framework reflects a commitment to defer to previous Office evaluations of the evidence of record unless material error is shown.” *Id.*, Slip Op. at 9.

Here, Petitioner acknowledges that the Farris and Murphy references (Exs. 1004 and 1007, respectively) were both cited *by the examiner* as having been considered during prosecution. Pet. 70. At least in raising Ground 3, however, Petitioner did not even attempt to meet its burden to show material error with respect to Murphy. This weighs in favor of discretionary denial under § 325(d). *See Becton*, Slip Op. at 17–18 (identifying as a significant factor to consider whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art); *Advanced Bionics*, Slip. Op. at 8 (citing *Becton*, Slip. Op. at 24).

In addressing Farris alone (under Ground 1 of the Petition), Petitioner argues the reference was “never used as the basis for or evaluated during prosecution.” Pet. 72. The record reveals otherwise, however.

During prosecution of the application that issued as the '304 patent, the examiner provided a list of specific references deemed most relevant to the pending claims from among those the examiner had located. Ex. 1002, 56. Given the size of the list provided during prosecution, it is reasonable to conclude that the examiner gave each reference included therein (including Farris and Murphy) due diligence. *Id.* Ultimately, the examiner found the pending claims to be allowable over all references of record. In view of this record evidence, it is unreasonable and demeaning for Petitioner to suggest the examiner did not actually *evaluate* Farris during prosecution, notwithstanding the examiner specifically listing Farris among those references the examiner had indeed considered. Pet. 72.

Notwithstanding this record evidence, Petitioner attempts to avoid the discretion afforded under § 325(d) by arguing its Petition provides “relevant pin cites to Farris” accompanied with testimony of its declarant. Pet. 72. The same boilerplate argument could be raised for virtually any petition that attempts to reassert references that appear on the face of the patent as having been considered by the examiner during prosecution. If providing pin cites and purported expert testimony were enough to avoid discretionary denial, such an exception would swallow the discretion afforded under § 325(d).

Avoiding discretionary denial requires more. For example, absent from the Petition is any “specific circumstance[]” that “materially changed, or of which the Office was not aware of during prior consideration” of Farris (*e.g.*, “changed claim constructions or new evidence related to priority dates of the prior art or challenged patent”). *Kayak Software Corp. v. Int’l Bus. Mach. Corp.*, CBM2016-00075, Paper 16 (PTAB Dec. 15, 2016) (designated informative on March 21, 2018).

There is likewise no merit to Petitioner’s suggestion that it gets a free pass to rely on references cited during prosecution if the examiner did not issue a rejection based on such references. Pet. 72. The Board has repeatedly rejected such a narrow view of the discretion afforded under § 325(d). For example, in *Edge Endo LLC, v. Maillerfer Instruments Holding SARL*, IPR2018-01349, Paper 15 at 18 (PTAB Jan. 14, 2019), the Board observed the reference in question was “considered by the examiner during prosecution” but not “rel[ied] upon . . . as a basis for rejecting the claims.” Nevertheless, the Board found the relevant *Becton* factor (the extent to which the asserted art was evaluated during examination, including whether the art was the basis for rejection) to be “either neutral or ***slightly weighs in favor of rejecting the Petition*** under § 325(d).” *Id.* (emphasis added).

The Board reached a similar conclusion in *Auris Health Inc. v. Intuitive Surgical Operations, Inc.*, IPR2019-01189, Paper 14 at 18 (PTAB Dec. 16, 2019). There, the Board explained “[a]lthough the examiner did not rely on Zehel to reject the claims during prosecution, the fact that the examiner identified the reference and considered it ‘pertinent to applicant’s disclosure’ (Ex. 1002, 151) ***supports***

exercising our discretion.” Id. (emphasis added). Other Board opinions reflect analogous reasoning. *See, e.g., Neil Ziegman, N.P.Z., Inc. v. Stephens*, IPR2015-01860, Paper 11 (PTAB Feb. 24, 2016) (exercising discretion under § 325(d) to deny institution where a reference in question was considered by the examiner during prosecution but was not applied in a rejection of the challenged claims).

It is also pertinent to the analysis under § 325(d) that the Petition purports to advance *five* redundant grounds challenging claim 3. Each one of those grounds purports to apply two alternative claim constructions for the “means for determining” term recited in claim 3 only. Thus, the Petition raises *no less than ten* redundant invalidity theories in purporting to challenge claim 3 alone. Given that institution must include all challenges under *SAS*,³ Petitioner’s attempt to multiply the proceeding with such excessive redundancy is yet another factor favoring discretionary denial.

For the foregoing reasons, the record evidence weighs in favor of exercising discretion to deny under § 325(d). The same evidence is also relevant as “other circumstances” evaluated under *Fintiv* factor six, and thus also weighs in favor of discretionary denial under § 314(a). *See* § IV.6, *supra*.

VI. LEVEL OF ORDINARY SKILL IN THE ART

Petitioner asserts a person of ordinary skill in the art (“POSITA”) at the time of the ’304 patent “would have had at least a Bachelor’s degree in computer science, computer engineering, electrical engineering, or a related field, with 2-3 years of

³ *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1355–56 (2018).

experience in information or communication systems.” Pet. 9. Patent Owner does not offer a competing definition at this time because, even if the Board were appropriate to apply Petitioner’s definition for a POSITA, Petitioner would still not meet its threshold evidentiary burden for institution for any challenged claim.

VII. CLAIM CONSTRUCTION

The standard for claim construction applicable here is the “ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent.” 37 C.F.R. §42.100(b) (effective November 13, 2018); 83 Fed. Reg. No. 197, 51340 (Oct. 11, 2018). This is the same standard applied by Article III courts. *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005).

In the parallel litigation, the only term identified for construction was “means for determining whether a call should be routed over said PSTN or said core packet network,” as recited in claim 3. The Petition interprets this term as invoking a means-plus-function construction under 35 U.S.C. §112, ¶ 6. Pet. 10. According to Petitioner, the function is “determining whether a call should be routed over said PSTN or said core packet network.” *Id.*

The Petition purports to apply two alternative constructions for the corresponding structure for this term. In the first, Petitioner interprets the corresponding structure as “‘call feature server’ labeled as element ‘14’ in FIG. 1.” *Id.* In the second, Petitioner interprets the corresponding structure as the “‘server system’ programmed to perform . . . the algorithm that ‘checks whether the call can

be routed via the packet network’ according to a decision ‘based on whether the core packet network can be expected to provide packet transmission that meets the quality requirements of the network,’ and when ‘the server recognizes that the packet network connection is less economical than a PSTN connection, the result of this check would also be negative.’” *Id.* 11 (citing Ex. 1001, 1:55-62, 4:1-10, 4:19-25, FIG. 2 (blocks 203 and 205)). Petitioner does not affirmatively state in the Petition which of the two alternative constructions is correct, nor does Petitioner attempt to defend or attack either one within the Petition itself.

The Court construed “means for determining whether a call should be routed over said PSTN or said core packet network” (recited in claim 3 only) as follows:

Subject to 35 U.S.C. § 112, ¶ 6.

Function: “determining whether a call should be routed over said PSTN or said core packet network”

Structure: portions of the server system (13) programmed to perform the algorithm disclosed at 1:55-62, 4:1-10, 4:19-25, and Figure 2 (blocks 203 and 205), and equivalents thereof.

The Court thus adopted (verbatim) a construction that WSOU had advanced, and Huawei had disputed, in the *Markman* claim construction briefing. Ex. 2003.

The Court defines the structure of the “algorithm” by offering citations to the specification of the ’304 patent. The Court’s citations to the specification are *identical* to those citations offered by both parties in their respective claim construction briefing and that Petitioner had offered in the Petition. Pet. 11. Given

this consistency, it is crucial that the theory advanced in the Petition reflect the cited algorithmic structure in its entirety. This Petitioner failed to do. To illustrate the deficiency of the Petition, what follows is an overview of the algorithmic structure set forth in the agreed citations to the specification.

The first citation identifies the algorithm as including the following: “measur[ing] the delay of packets through the core packet network and the variation in the delay of these packets to the destination specified for a call; [and] if this delay and/or the variation in the delay becomes excessive to the point that the quality of voice transmission becomes unsatisfactory, then new calls and existing calls are transferred to the Public Switched Telephone Network.” Ex. 1001, 1:55-62.

The specification further describes the decision as to whether a call should be routed over a packet network or a PSTN connection as follows:

This decision is based on whether the core packet network can be expected to provide packet transmission that meets the quality requirements of the network. For those cases in which the server recognizes that the packet network connection is less economical than a PSTN connection, the result of this check would also be negative. Test 205 determines whether the check of Action Block 203 was successful.

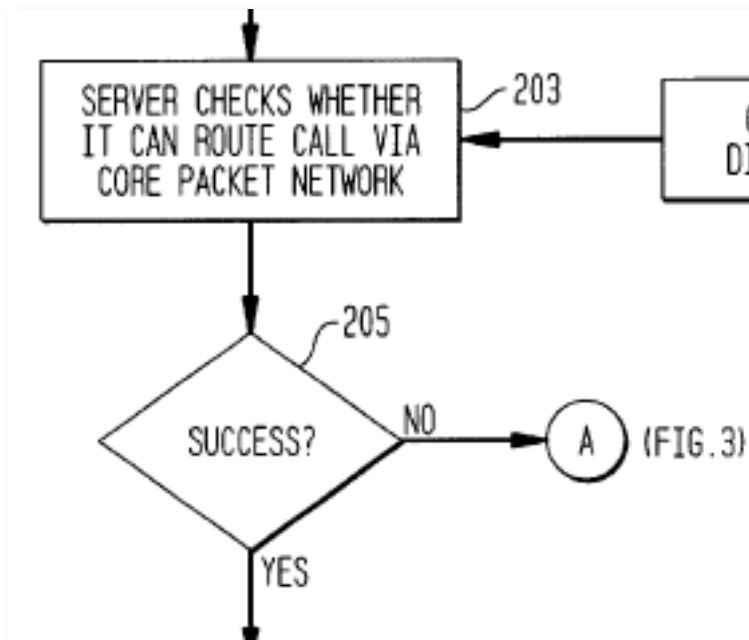
Id., 4:1-10.

[T]he COMDAC or CPE monitors for packet delay during the conversation, (Action Block 221, FIG. 3). Test 223 determines whether this delay or the variation in this delay is excessive. If it is not excessive, then Action Block 221 is re-entered. If the delay

is excessive, then the COMDAC or CPE causes the server system to switch the call to the PSTN

Id., 4:19-25.

The two cited blocks of Figure 2 of the '304 patent are reproduced below.



Ex. 1001, Fig. 2 (blocks 204 and 205).

As shown by the collective citations to the '304 patent, which the parties agreed to in their respective constructions advanced in litigation and which the Court ultimately applied in its construction, a holistic view of the cited algorithmic structure is accurately expressed as follows:

- (1) measuring *both*
 - (i) the delay of packets through the core packet network *and*
 - (ii) the variation in the delay of these packets to the destination specified for a call; and
- (2) transferring the call to the Public Switched Telephone Network (PSTN) if *either* the measured delay *or* the measured variation in the delay becomes excessive to the point that the quality of voice transmission becomes unsatisfactory.

The above algorithmic structure is not fully reflected in either of Petitioner's alternative constructions. At a minimum, the Petition overlooks that the measuring described in the '304 patent applies both to the *delay* of packets and the *variation* in delay. This two-fold aspect of the measuring is significant because call transfer occurs responsive to *either* excessive delay *or* excessive variation in delay (or both).

No theory advanced in the Petition even purports to apply this aspect of the disclosed algorithmic structure corresponding to the "means for determining" functionality recited in claim 3. Of the two alternative constructions applied in the Petition, even the narrower one overlooks the duality of measurements factored into whether to transfer a call. Specifically, Petitioner's narrower construction remains overbroad in its attempt to expand scope to merely require "'checks whether the call can be routed via the packet network' according to a decision 'based on whether the core packet network can be expected to provide packet transmission that meets the quality requirements of the network,' and when 'the server recognizes that the packet network connection is less economical than a PSTN connection, the result of this check would also be negative.'" Pet. 11.

Accordingly, each challenge of dependent claim 3 should be denied as being tainted by an incorrect claim construction. *See Mentor Graphics Corp., v. Synopsys, Inc.*, IPR2014-00287, Paper 31 at 11 (PTAB June 11, 2015), *aff'd sub nom. Synopsys, Inc. v. Mentor Graphics Corp.*, 669 Fed. Appx. 569 (Fed. Cir. 2016) (rejecting invalidity theories advanced in an IPR petition as tainted by reliance on an incorrect claim construction).

VIII. PETITIONER FAILS TO ESTABLISH IT IS MORE LIKELY THAN NOT THAT ANY CHALLENGED CLAIM IS UNPATENTABLE

“Petitioner has the burden of proof to establish entitlement to relief. 37 C.F.R. § 42.108(c) (“review shall not be instituted for a ground of unpatentability unless . . . there is a reasonable likelihood that at least one of the claims challenged . . . is unpatentable”). None of the following grounds in the Petition meet this burden:

Ground	Alleged Basis	Challenged Claims
1	§102 – Farris ⁴	1, 3, 7
2A	§103 – Frankel ⁵ in view of Gupta ⁶	1, 3, 7
2B	§103 – Frankel in view of Gupta and Armistead ⁷	3
3A	§102 – Gupta	1, 3, 7
3B	§103 – Gupta in view of Murphy ⁸	3

⁴ Ex. 1004, U.S. Patent No. 6,064,653 (“Farris”).

⁵ Ex. 1005, U.S. Patent No. 6,075,784 (“Frankel”).

⁶ Ex. 1006, U.S. Patent No. 6,731,627 (“Gupta”).

⁷ Ex. 1008, U.S. Patent No. 6,781,983 (“Armistead”).

⁸ Ex. 1007, U.S. Patent No. 6,282,192 (“Murphy”).

A. The ten redundant challenges of claim 3 are excessive and deficient as a matter of law

1. Petitioner needlessly multiplies the proceeding by purporting to raise no less than ten redundant challenges to claim 3

The Petition purports to advance *five* redundant grounds challenging claim 3. Each one of those grounds purports to apply two alternative claim constructions for the “means for determining” term recited in claim 3 only. Thus, the Petition raises *no less than ten* redundant invalidity theories in purporting to challenge claim 3 alone. Given that institution must include all challenges under *SAS*, Petitioner’s attempt to multiply the proceeding with such excessive redundancy is yet another factor favoring discretionary denial. *See* § VI, *supra*.

2. The Petition is tainted by its application of an incorrect claim construction for claim 3

In each one of Petitioner’s ten challenges to claim 3, the Petition applies overbroad constructions of the algorithmic structure corresponding to the function “determining whether a call should be routed over said PSTN or said core packet network,” as recited in claim 3. *See* § VII, *supra*. Petitioner’s constructions gloss over explicit requirements set forth in the passages of the specification that both parties have cited as disclosing corresponding structure. This example deficiency is independently fatal to *all five* redundant challenges of claim 3. *See Mentor Graphics*, Slip. Op. at 11.

As explained above (§ VII), a holistic view of the citations provided by both parties reveal the corresponding algorithm structure requires the following:

- (1) **measuring *both***
 - (i) **the delay of packets through the core packet network *and***
 - (ii) **the variation in the delay of these packets to the destination specified for a call; and**
- (2) **transferring the call to the Public Switched Telephone Network (PSTN) if *either* the measured delay *or* the measured variation in the delay becomes excessive to the point that the quality of voice transmission becomes unsatisfactory.**

None of the ten alternative theories purporting to challenge claim 3 apply a proper understanding of the algorithmic structure corresponding to the “means for determining” term. At a minimum, Petitioner and its declarant overlook the duality of measurements (i.e., *both* the delay of packets *and* the variation in the delay) factored into whether to transfer a call. *See* § VII, *supra*. Petitioner has not and cannot establish unpatentability through application of incorrect claim constructions. *See Mentor Graphics*, Slip. Op. at 11.

3. The Petition provides no basis to conclude the Office erred or overlooked evidence in finding claim 3 patentable over Murphy

Ground 3B of the Petition relies on Murphy in combination with Gupta as allegedly rendering obvious claim 3. Claim 3 is reproduced below in its entirety.

- 3. The apparatus of claim 1, wherein said server system comprises means for determining whether a call should be routed over said PSTN or said core packet network.

Ex. 1001, 5:11-13. For the “means for determining . . .” term recited in claim 3, Petitioner points to Murphy’s congestion detector 126 as allegedly satisfying the

corresponding algorithmic structure (under Petitioner’s construction). Pet 65–69. According to Petitioner, it would have been obvious to combine Murphy’s congestion detector 126 into Gupta’s system. *Id.* But Petitioner fails to explain why Gupta is not cumulative with Murphy, Farris, and the other references appearing on the face of the ’304 patent as having been considered by the examiner during prosecution. Quite the contrary, Petitioner concedes Gupta and Murphy are cumulative with one another by advancing Gupta as an anticipatory reference (under Ground 3A) and by similarly characterizing their respective teachings. It appears that Ground 3B of the Petition tacks on Gupta in a combination theory merely to allege the examiner had not considered that particular combination. But the combination of teachings that are admittedly cumulative only favors exercising discretionary denial under § 325(d). *See* § V, *supra*.

According to Petitioner, “Gupta recognizes delay or congestion problems in packet networks and provides a solution (e.g., ‘network clock synchronization algorithm’) to address such problems.” Pet. 66. But Petitioner also alleges that “Murphy’s gateway 108 includes a congestion detector 126 that ‘detects IP network congestion’ and ‘determine[s] if there is excessive *packet delay*.’” *Id.*, 67 (citing Ex. 1007, 8:23-8:43, FIGS. 10 and 11) (emphasis by Petitioner). Petitioner further argues it “would have been motivated to apply Murphy’s teaching of the congestion detector for detecting packet delay in Gupta’s gateway for accessing the PSTN and the data network.” But Petitioner argues that Murphy itself “teaches routing calls

between the PSTN and the Internet based on congestion associated with the addresses to which the calls are directed.” *Id.*

As explained above, the Petition fails to identify any basis to conclude the Office erred or overlooked evidence in finding claim 3 allowable over the exact same Murphy reference considered by the examiner during prosecution. *See* § V, *supra* (discussing Ex. 1002, 56). Petitioner cannot avoid discretionary denial under § 325(d) simply by tacking on another reference in an obviousness combination with Murphy. This is especially true where the arguments set forth in the Petition reveal that Gupta is cited in Ground 3B merely as a cumulative reference that allegedly has overlapping teachings with Murphy. Petitioner’s own characterization of alleged overlapping teachings of Gupta and Murphy only further weigh in favor of discretionary denial under § 325(d).

B. The Petition fails to establish it is more likely than not that Farris anticipates 1, 3, or 7 (Ground 1)

1. The Petition provides no basis to conclude the Office erred or overlooked evidence in finding claims 1, 3, and 7 patentable over Farris

Ground 1 of the Petition asserts that Farris anticipates claims 1, 3, and 7. As explained above, however, the Petition fails to identify any basis to conclude the Office erred or overlooked evidence in finding claim 1, 3, and 7 allowable over the exact same Farris reference considered by the examiner during prosecution. *See* § V, *supra* (discussing Ex. 1002, 56). During prosecution, the examiner provided a list of specific references deemed most relevant to the pending claims from among

those the examiner had located. *Id.* Given the size of the list the examiner provided during prosecution, it is reasonable to conclude that the examiner carefully evaluated patentability of the claims in view of each listed reference (including Farris). *Id.* The Petition provides no reason to conclude that the examiner *misunderstood* or *overlooked* the portions of Farris cited in the Petition. *Id.* Nothing in the Petition compels the Board to reconsider the Office’s prior determination that claim 1, 3, and 7 are *allowable* over Farris. *Id.*

2. Ground 1 of the Petition fails to sufficiently address all limitations directed to the “packet switch”

Among other deficiencies on the merits, the Petition fails to establish it is more likely than not that Farris discloses all elements of claim 1 within the four corners of that document, and that Farris discloses those elements as arranged in the claim. While it is Petitioner’s burden to establish anticipation of all elements, example deficiencies are identified herein with respect to the “packet switch” element. Claim 1 recites the “packet switch” element in the following contexts:

[1.3] said packet access network comprising an interface gateway and ***a packet switch***;

[1.4] ***said packet switch for accessing said PSTN and said core packet network***;

[1.5] said interface gateway comprising circuits for converting signals from said plurality of customer telephone stations to packets **for switching by said packet switch**;

[1.6] said s[er]ver⁹ system for controlling *connections through said packet switch*.¹⁰

Ex. 1001, 4:64–5:5 (emphasis added). As shown above, claim 1 expressly qualifies the “packet switch” as (1) “accessing said PSTN,” (2) “accessing . . . said core packet network,” (3) “switching” packets, and (4) having “connections” therethrough (as controlled by the “server system”). The Petition fails to point to any “packet switch” in the four corners of Farris that is arranged as recited in claim 1.

According to Petitioner, “Farris discloses the ‘packet assembler/disassembler (PAD) 116,’ the ‘master control unit (MCU) 108,’ and/or the ‘router 118,’ which cooperatively operate to access the PSTN and the Internet.” Pet. 17. At a minimum, Petitioner overlooks that Farris does not describe any of the identified components (even if considered collectively) as accessing “*a circuit public switched telephone network (PSTN)*” as claimed. Petitioner and its declarant fail to explain how *any* of the identified components of Farris could *themselves* possibly access a circuit-switched PSTN, given it is undisputed that Farris describes each as communicating *packetized* data only. This should be deemed admitted by the selective citations to Farris that Petitioner offers in addressing what Petitioner refers to as “*Element [1.4]*.” Pet. 17.

⁹ It was undisputed in the parallel litigation that claim 1 contains a clerical error in that “saver” was intended to be written as “server.”

¹⁰ The bracketed numbering used here (*e.g.*, “[1.3]”) is not part of the claim language that issued and, rather, is used here simply to reflect the way in which Petitioner refers to the various elements of claim 1.

Petitioner and its declarant both emphasize the following quotation from Farris: “Under direction of the MCU, appropriately addressed packets at the output of TCP/IP 116 destined for the remote server will be multiplexed and rerouted back through digital switch 106 through the pipeline to the remote server. The remote server will process packets ... and transmit to the final destinations through the local PSTN.” Pet. 18 (partially quoting Ex. 1004, 10:60–11:5) (emphasis omitted); *see also* Ex. 1003 ¶ 66 (partially quoting the same). In the quoted passage, Farris makes clear that it is *packetized* data that is rerouted through the digital switch 106 to the remote server. The remote server must process the *packetized* data it receives to prepare a corresponding transmission (i.e., one that is not packetized) over “a local PSTN.” Ex. 1004, 11:1–5.

Thus, Farris does not describe any of the identified internal components of its gateway 20 as accessing the local PSTN *themselves*. At best, a “remote server” (i.e., one that is remote from gateway 20) translates the *packetized* data it receives for subsequent transmission to a “local PSTN” (i.e., local *to the remote server*). *Id.* Apart from offering *ipse dixit* statements, neither the Petition nor its attached declaration provide any rational basis to conclude that the distinguishable arrangement in Farris at least anticipates a “packet switch for ***accessing said PSTN and said core packet network***” as recited in claim 1.

These example deficiencies concerning the merits of Ground 1 further underscore why denial is appropriate, particularly when considered in view of the multiple reasons for exercising discretionary denial. Indeed, in view of these glaring

deficiencies on the merits, it should be no wonder that the examiner identified Farris as a reference considered during prosecution yet found to be distinguishable from the claims that issued. The example deficiencies on the merits are also fatal to the challenges of claims 3 and 7 under Ground 1, given claims 3 and 7 both depend from claim 1.

C. The Petition fails to establish it is more likely than not that Frankel in view of Gupta renders obvious claims 1, 3, or 7 (Ground 2A)

Among other deficiencies on the merits, the Petition fails to establish it is more likely than not that Frankel in view of Gupta renders obvious all elements of claim 1. While it is Petitioner’s burden to establish obviousness of all elements, example deficiencies are identified herein with respect to the “packet switch” element. As explained above, claim 1 expressly qualifies the “packet switch” as (1) “accessing said PSTN,” (2) “accessing . . . said core packet network,” (3) “switching” packets, and (4) having “connections” therethrough (as controlled by the “server system”).

Ground 2A of the Petition purports to rely on Frankel alone, at least in addressing the requirement that the “packet switch” must *itself* qualify as *both* (1) “accessing said PSTN,” *and* (2) “accessing . . . said core packet network” (referred to as “*Element [1.4]*” in the Petition). Pet. 36–37. According to Petitioner, Frankel’s HDT 200 discloses these requirements ostensibly because Frankel’s HDT 200 “includes a packet conversion processor 280 that ‘converts packets received from LPN via the LPN IF 270’ to a format suitable to be transmitted to either the

PSTN via the PSTN switch or the Internet via the data switch.” *Id.* (citing Ex. 1005, 8:42–58, FIG. 3).

Petitioner impermissibly conflates together what the claim language expressly distinguishes. Claim 1 qualifies the “interface gateway” as “comprising circuits for converting signals from said plurality of customer telephone stations to packets.” To suggest the mere conversion of signals to packets renders obvious the distinct, two-fold “accessing” requirements of the “packet switch” would impermissibly conflate together what the claim language expressly distinguishes. Such an interpretation is presumptively incorrect; and Petitioner makes no attempt to rebut the applicable presumption. Petitioner’s tacit misinterpretation of the “accessing” limitations taints the entirety of Ground 2A. *See Mentor Graphics*, Slip. Op. at 11.

Petitioner also makes no effort to defend the tacit interpretation applied therein. For example, absent from the Petition is any rational underpinning to support the conclusion that the alleged *conversion* functionality of Frankel’s HDT 200 renders obvious the distinct two-fold “accessing” requirements of the “packet switch,” as recited in claim 1. The declaration is unavailing because the cited paragraphs merely repeat the same *ipse dixit* statements of the Petition (verbatim), without offering any rational underpinning for the opinions set forth therein.

Petitioner’s annotations to Figure 3 of Frankel only underscore example patentable distinctions. Pet. 36 (providing colored annotations to Ex. 1005, Fig. 3). Nothing shown in either Fig. 3 (or even in Petitioner’s colored annotations added thereto) establishes that Frankel’s HDT 200 is *itself* “accessing” *both* a “circuit

public switched telephone *network*” and a “core packet *network*.” At most, Frankel’s Figure 3 confirms (consistent with Frankel’s Figure 1) that the HDT 200 merely transmits to certain other switches that are also *internal to the Central Switching Facility 30*.

In raising Ground 2A, Petitioner does not allege that it would have been obvious to modify Frankel in view of Gupta to arrive at the limitations directed to the “packet switch” element. Rather, as noted above, Petitioner relies exclusively on Frankel, at least in addressing the “accessing” requirements of the “packet switch” element.

These example deficiencies concerning the *merits* of Ground 2A further underscore why denial is appropriate, particularly when considered in view of the multiple reasons for exercising *discretionary* denial. The example deficiencies on the merits are also fatal to the challenges of claims 3 and 7 under Ground 2A, given claims 3 and 7 both depend from claim 1.

D. The Petition fails to establish it is more likely than not that Gupta anticipates claims 1, 3, or 7 (Ground 3A)

1. Ground 3A of the Petition fails to sufficiently address all limitations directed to the “packet switch”

The Petition fails to establish Gupta anticipates claim 1 (and hence claims 3 and 7 depending therefrom). While it is Petitioner’s burden to establish anticipation of all elements, example deficiencies are identified herein with respect to the “packet switch” element. As addressed above, claim 1 expressly qualifies the “packet switch” as (1) “accessing said PSTN,” (2) “accessing . . . said core packet network,”

(3) “switching” packets, and (4) having “connections” therethrough (as controlled by the “server system”). The Petition fails to point to any “packet switch” in the four corners of Gupta that is arranged as recited in claim 1.

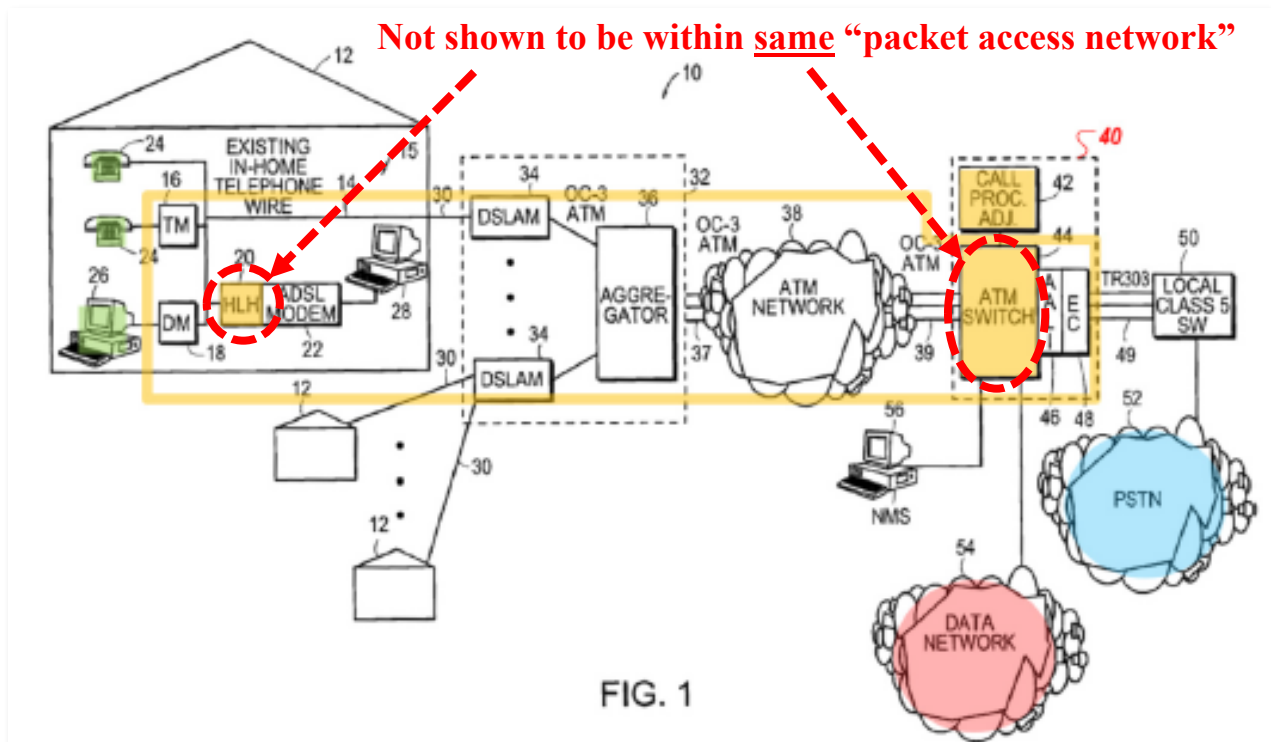
In purporting to address the dual “accessing” requirements of the “packet switch” (referred to in the Petition as “*Element [1.4]*”), the sum total of Petitioner’s argument is that “[t]he ATM switch 44 is a packet switch in that it routes packets (e.g., ATM packets, IP packets, etc.) toward the PSTN 52 and the data network 54.” Pet. 57. But the claim language in question does not recite *routing packets* toward a PSTN. Rather, it qualifies the “packet switch” itself as “accessing said PSTN,” where the “PSTN” is introduced (in the preamble) as “a *circuit* public switched telephone network (PSTN).” Petitioner cannot prove anticipation by advancing a conclusory theory that, on its face, addresses something other than what is explicitly recited. Petitioner’s citation to the declaration of Mr. Rysavy is unavailing because that testimony merely copies the same conclusory statements (verbatim) from the Petition, without providing any rational underpinning.

These example deficiencies concerning the *merits* of Ground 3A further underscore why denial is appropriate, particularly when considered in view of the multiple reasons for exercising *discretionary* denial. The example deficiencies on the merits are also fatal to the challenges of claims 3 and 7 under Ground 3A, given claims 3 and 7 both depend from claim 1.

2. Ground 3A of the Petition fails to establish all limitations directed to “a packet access network”

As another example deficiency on the merits, the Petition fails to establish it is more likely than not that the four corners of Gupta anticipate all limitations directed to “a packet access network” as recited in claim 1. Claim 1 qualifies the “packet access network” as (1) being “connectable to a plurality of customer telephone stations” and as comprising both (2) the “interface gateway” and (3) the “packet switch.”

The Petition provides colored annotations to Gupta’s Fig. 1 in purporting to illustrate the mapping applied in the Petition. Pet. 55. Petitioner’s colored annotations are reproduced below:



Id. (red dotted annotations added by Patent Owner, all other colored annotations by Petitioner). Petitioner alleges that the Gupta's HLH 20 (shown on the far left of Gupta's Fig. 1) anticipates the "interface gateway" element of claim 1. *Id.* 56. Petitioner further alleges that Gupta's ATM switch 44 (shown on the far right of Gupta's Fig. 1) anticipates the "packet switch" element of claim 1. *Id.* 57.

At a minimum, Petitioner fails to establish that the same "packet access network" comprises **both** Gupta's HLH 20 **and** ATM switch 44. Petitioner could not do so at least because Gupta's Fig. 1 clearly shows a distinct and separating ATM network 38 interposed between the HLH 20 and the ATM switch 44.

Rather than address this explicit requirement directly, Petitioner glosses over it by characterizing Gupta as allegedly disclosing that packets converted by HLH 20 eventually reach the ATM switch. Pet. 56–57. Petitioner fails to establish its implicit and overbroad interpretation that if one component can allegedly transmit a packet that ultimately arrives at another component, then it must be said that both of those two components are necessarily within the same "packet access network." That undefended premise simply defies reason.

These additional example deficiencies concerning the *merits* of Ground 3A further underscore why denial is appropriate, particularly when considered in view of the multiple reasons for exercising *discretionary* denial. The example deficiencies on the merits are also fatal to the challenges of claims 3 and 7 under Ground 3A, given claims 3 and 7 both depend from claim 1.

E. Petitioner fails to establish a likelihood of prevailing in its validity challenge of any dependent claim

Because Petitioner has failed to meet its burden to prove unpatentability of independent claim 1 under any ground, the challenged dependent claims 3 and 7 likewise have not been shown to be unpatentable as a matter of law. This example deficiency provides a basis for denial *in addition to* claim specific arguments (*e.g.*, those concerning dependent claim 3, addressed above).

IX. CONCLUSION

For the foregoing reasons, WSOU respectfully requests that the Petition be denied in its entirety.¹¹

Date: September 17, 2021

Respectfully submitted,

By: /Brett Mangrum /
Ryan Loveless; Reg. No. 51,970
Brett A. Mangrum; Reg. No. 64,783
Attorneys for Patent Owner

¹¹ Patent Owner does not concede, and specifically denies, that there is any legitimacy to any arguments in the Petition that are not specifically addressed herein.

CERTIFICATE OF COMPLIANCE

Pursuant to 37 C.F.R. § 42.24(d), I certify that this Preliminary Response to Petition complies with the type-volume limitation of 37 C.F.R. § 42.24(b)(1) because it contains fewer than the limit of 14,000 words, as determined by the word-processing program used to prepare the brief, excluding the parts of the brief exempted by 37 C.F.R. § 42.24(a)(1).

Date: September 17, 2021

By: /Brett Mangrum /
Ryan Loveless; Reg. No. 51,970
Brett A. Mangrum; Reg. No. 64,783
Attorneys for Patent Owner

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §§ 42.6(e), I certify that I caused to be served an electronic copy of the foregoing PATENT OWNER'S PRELIMINARY RESPONSE, along with any accompanying exhibits filed via the PTAB E2E system, to Petitioner's counsel at the following addresses identified in the Petition's consent to electronic service:

<u>Lead Counsel</u> Michael Hawkins, Reg. No. 57,867 Fish & Richardson P.C. 3200 RBC Plaza 60 South Sixth Street Minneapolis, MN 55402 Tel: 612-337-2569 hawkins@fr.com IPR35548-0131IP1@fr.com PTABInbound@fr.com	<u>Backup Counsel</u> Sangki Park, Reg. No. 77,261 Tel: 612-638-5763 / spark@fr.com Nicholas Stephens, Reg. No. 74,320 Tel: 612-766-2018 / nstephens@fr.com Kim Leung, Reg. No. 64,399 Tel: 858-678-4713 / leung@fr.com Kenneth Hoover, Reg. No. 68,116 Tel: 512-226-8117 / hoover@fr.com Rishi Gupta, Reg. No. 64,768 Tel: 214-292-4056 / rgupta@fr.com Patrick J. Bisenius, Reg. No. 63,893 Tel: 612-766-2048 / bisenius@fr.com Terry J. Stalford, Reg. No. 39,522 Tel: (214) 292-4088 / stalford@fr.com
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Date: September 17, 2021

Respectfully submitted,

By: /Brett Mangrum /
Ryan Loveless; Reg. No. 51,970
Brett A. Mangrum; Reg. No. 64,783
Attorneys for Patent Owner