

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VIPTELA, INC.,
Petitioner,

v.

FATPIPE NETWORKS PRIVATE LIMITED,
Patent Owner.

Case IPR2017-01125
Patent 6,775,235 B2

Before STACEY G. WHITE, MICHELLE N. WORMMEESTER, and
CHRISTA P. ZADO, *Administrative Patent Judges*.

ZADO, *Administrative Patent Judge*.

DECISION

Denying Institution of *Inter Partes* Review
35 U.S.C. § 314(a) and 37 C.F.R. § 42.108

I. INTRODUCTION

A. Background

Viptela, Inc. (“Petitioner”) filed a Petition (Paper 1, “Pet.”) seeking to institute an *inter partes* review of claims 4–15, 19, and 22–24 (the “Challenged Claims”) of U.S. Patent No. 6,775,235 B2 (Ex. 1001, the “’235 patent”) pursuant to 35 U.S.C. §§ 311–319. FatPipe Networks Private Limited (“Patent Owner”) filed a Preliminary Response. (Paper 7, “Prelim. Resp.”). We have authority under 35 U.S.C. § 314(a), which provides that an *inter partes* review may not be instituted “unless . . . there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.”

Petitioner contends the Challenged Claims are unpatentable under 35 U.S.C. § 103 on the following specific grounds (Pet. 4):

References	Basis	Claims Challenged
Karol ¹ and Zhang ²	§ 103	5–11, 14, and 22–24
Karol and Pearce ³	§ 103	4 and 19
Karol, Zhang, and Pearce	§ 103	9, 10, and 14
Karol, Zhang, and McCullogh ⁴	§ 103	6, 9–15, and 22–24

For reasons discussed below, we decline to institute *inter partes* review of the Challenged Claims of the ’235 patent.

¹ U.S. Patent No. 6,628,617 B1 (“Karol,” Ex. 1006).

² U.S. Patent No. 6,396,833 B1 (“Zhang,” Ex. 1019).

³ U.S. Patent No. 5,910,951 (“Pearce,” Ex. 1021).

⁴ U.S. Patent App. Publ. No. 2002/0010866 A1 (“McCullough,” Ex. 1020).

B. Related Proceedings

Prior to filing this Petition, Petitioner filed a petition for *inter partes* review challenging claims 4–15, 19, and 22–24 of the '235 patent (IPR2017-00684 (the “'684 IPR”)), and a petition for *inter partes* review of a related patent, U.S. Patent 7,406,048 (the “'048 patent”) (IPR2017-00680). We instituted review of claims 6 and 22–24 of the '235 patent on July 14, 2017, and we denied institution with respect to the '048 patent.

In addition, the '235 patent is the subject of a separate proceeding, IPR2016-00976 (the “'976 IPR”), filed by Talari Networks, Inc., for which a final written decision is due November 2, 2017.

Also, Petitioner informs us that the '235 and the '048 patents have been asserted against Petitioner in the following proceeding: *FatPipe, Inc. v. Viptela, Inc.*, No. 1:16-cv-182 (D. Del.). Pet. 1; *see also* Paper 6, 1. Patent Owner indicates that the '235 and '048 patents also are subject to additional district court proceedings and additional *inter partes* review proceedings. Paper 6, 1–2; Paper 8, 1–2.

C. The '235 Patent

The '235 patent describes a system and method for communicating using two or more disparate networks in parallel. Ex. 1001, Abstract. For example, an embodiment of this system could be composed of a virtual private network (“VPN”) in parallel with a frame relay network. *Id.* at 1:19–24. These parallel networks back each other up in case of failure and when both networks are operational their loads are balanced between the parallel networks. *Id.* at Abstract. An embodiment of this system is depicted in Figure 10, which is shown below.

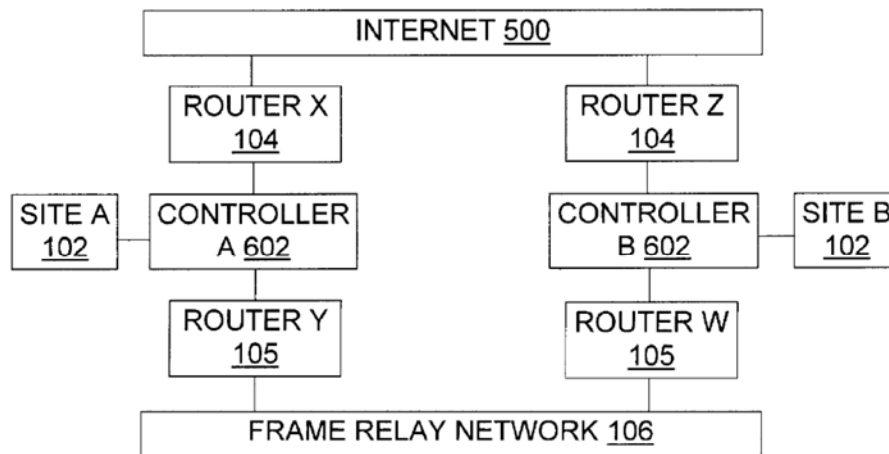


Fig. 10

Figure 10 depicts an example of the network topology described in the '235 patent. *Id.* at 8:29–30. Two sites 102 transmit and/or receive data from one another. *Id.* at 2:38–40. These sites are connected by two disparate networks, Internet 500 and frame relay network 106. *Id.* at 8:30–32. Each location has frame relay router 105 and Internet router 104. *Id.* at 8:32–33. “Access to the disparate networks at site A and site B is through an inventive controller 602 at each site.” *Id.* at 6:34–36. Controller 602 “allows load-balancing, redundancy, or other criteria to be used dynamically, on a granularity as fine as packet-by-packet, to direct packets to an Internet router and/or a frame relay/point-to-point router according to the criteria.” *Id.* at 9:12–17.

Figure 7 of the '235 patent is reproduced below.

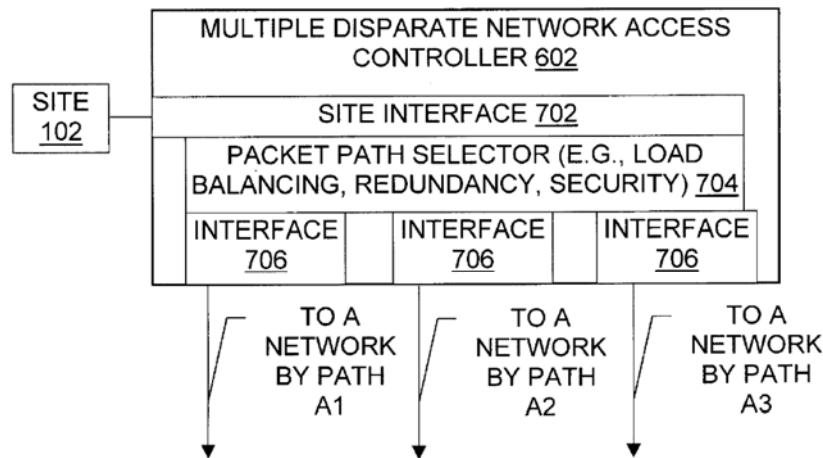


Fig. 7

Figure 7 depicts controller 602. *Id.* at 10:59–60. Controller 602 is connected to site 102 via site interface 702. *Id.* at 10:60–63. Packet path selector 704 is hardware or software that determines which path a given packet is to travel. *Id.* at 11:2–6. The criteria used to determine which path a packet travels may be based on concerns such as redundancy, load-balancing, or security. *Id.* at 11:6–63. Controller 602 also has two or more network interfaces 706 (at least one per each network for which controller 602 controls access). *Id.* at 11:64–67.

D. Illustrative Claim

As noted above, Petitioner challenges claims 4–15, 19, and 22–24 of the '235 patent, of which claims 4, 5, 19, and 22 are independent. Claim 22 is illustrative of the challenged claims and is reproduced below:

22. A computer storage medium having a configuration that represents data and instructions which will cause performance of a method for combining connections for access to multiple parallel disparate networks, the method comprising the steps of:

- obtaining at least two known location address ranges which have associated networks;
- obtaining topology information which specifies associated networks that provide, when working, connectivity between a current location and at least one destination location;
- receiving at the current location a packet which identifies a particular destination location by specifying a destination address for the destination location;
- determining whether the destination address lies within a known location address range; selecting a network path from among paths to disparate associated networks, said networks being in parallel at the current location, each of said networks specified in the topology information as capable of providing connectivity between the current location and the destination location;
- modifying the packet destination address to lie within a known location address range associated with the selected network if it does not already do so; and
- forwarding the packet on the selected network path.

Ex. 1001, 19:31–20:24.

II. CLAIM CONSTRUCTION

In an *inter partes* review, “[a] claim in an unexpired patent shall be given its broadest reasonable construction in light of the specification of the patent in which it appears.” 37 C.F.R. § 42.100(b). Under this standard, we construe claim terms using “the broadest reasonable meaning of the words in their ordinary usage as they would be understood by one of ordinary skill in the art, taking into account whatever enlightenment by way of definitions or otherwise that may be afforded by the written description contained in the applicant’s specification.” *In re Morris*, 127 F.3d 1048, 1054 (Fed. Cir. 1997).

Petitioner submits a list of terms for which Patent Owner has proposed construction in a co-pending district court case. Pet. 7–8. Petitioner, however, asserts that for the purposes of this Decision no terms need to be construed. *Id.* Patent Owner does not address claim construction in its Preliminary Response. *See generally* Prelim. Resp. We reviewed the parties’ arguments, and, for the purposes of this Decision, we have determined that no terms require express construction. *See Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999).

III. ANALYSIS

A. 35 U.S.C. §§ 314(a) and 325(d)

Institution of an *inter partes* review is discretionary. Section 314(a) of title 35 of the United States Code recites that the Director “may not” institute *inter partes* review unless certain circumstances are met, but does not specify any circumstances that would require institution. 35 U.S.C. § 314(a) (“The Director may not authorize an inter partes review to be instituted unless the Director determined that the information presented in the petition . . . 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.”); *see also* 37 C.F.R. § 42.108(a) (“the Board *may* authorize the review to proceed”) (emphasis added); *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (explaining that under § 314(a), “the PTO is permitted, but never compelled, to institute an IPR proceeding”). The Director has delegated the exercise of discretion as to whether to institute to the Board. 37 C.F.R. § 42.4(a) (“The Board institutes the trial on behalf of the Director.”).

In the exercise of this discretion, 35 U.S.C. § 325(d) provides a factor that may be taken into account, namely, “the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.” 35 U.S.C. § 325(d). Additional factors the Board may consider include, for example, the factors set forth in *NVIDIA Corp. v. Samsung Elec. Co.*, Case IPR2016-00134, slip op. at 6–7 (PTAB May 4, 2016) (Paper 9). *Gen. Plastic Indus. v. Cannon Kabushiki Kaisha*, Case IPR2016-01357, slip op. at 16 (PTAB Sept. 6, 2017) (Paper 19) (informative). Also, we must consider managing the resources of the Office in order to secure the just, speedy, and inexpensive resolution of the challenges to the patentability of the ’235 patent. *See* 37 C.F.R. § 42.1(b); *see also* 35 U.S.C. § 316(b) (regulations for *inter partes* review proceedings take into account “the efficient administration of the Office” and “the ability of the Office to timely complete [instituted] proceedings”); *and see* H.R. Rep. No. 112-98, pt.1, at 48 (2011) (post-grant proceedings conducted under the AIA “are not to be used as tools for harassment or a means to prevent market entry through repeated litigation and administrative attacks on the validity of a patent. Doing so would frustrate the purpose of the section as providing quick and cost effective alternatives to litigation.”).

Patent Owner’s Preliminary Response focuses on the issue of whether the Board should exercise its discretion under 35 U.S.C. § 325(d) and deny institution of Petitioner’s asserted grounds of unpatentability. Prelim. Resp. 1–6. Patent Owner contends that the instant Petition should be denied because it relies on substantially the same prior art and presents substantially the same arguments that were presented by Petitioner in the petition for the

'684 IPR, which in turn was a “copy-cat” of the '976 IPR petition. Prelim. Resp. 2, 5. However, in deciding whether we should exercise our discretion and decline to go forward with this Petition, our concern is not only whether “the same or substantially the same prior art or arguments previously were presented to the Office,” as expressed in § 325(d), but also whether other factors weigh in favor of denying institution in light of the discretion afforded to us pursuant to § 314(a).

On April 29, 2016, Talari Networks, Inc. filed a petition in the '976 IPR challenging claims 4, 5, 7–15, and 19 of the '235 patent over Karol, and claims 5, 11–15, and 19 over the combination of Karol and Stallings. *See generally* '976 IPR, Paper 1 (PTAB Apr. 29, 2016). In that proceeding we instituted *inter partes* review of all challenged claims, namely claims 4, 5, 7–15, and 19 (the “'976 instituted claims”), on all the asserted grounds. *See generally* '976 IPR, Paper 7 (PTAB Nov. 2, 2016).

On January 13, 2017, Petitioner filed a petition in the '684 IPR that is essentially identical to that filed in the '976 IPR, over the same art and grounds, with the difference being the '684 IPR challenged a few additional claims that were not challenged in the '976 IPR, namely claims 6 and 22–24 of the '235 patent. *See generally* '684 IPR, Paper 1 (PTAB Jan. 13, 2017) and '976 IPR, Paper 1 (PTAB Apr. 29, 2016). In the '684 IPR, we exercised our discretion under 35 U.S.C. §§ 325(d) and 314(a), and denied institution of *inter partes* review with respect to the '976 instituted claims. *See generally* '684 IPR, Paper 8 (PTAB July 14, 2017). However, we instituted with respect to the newly added claims, namely claims 6 and 22–24 (the “'684 instituted claims”), on July 14, 2017. *See generally id.*

Less than one month after Petitioner filed the petition in the '684 IPR, Patent Owner filed its response in the '976 IPR (on February 8, 2017), in which Patent Owner argued that Karol does not disclose selecting between networks “on a per-packet basis” or “packet-by-packet basis,” as required by independent claim 4 and dependent claim 9 (which depends from independent claim 5), respectively, of the '235 patent. '976 IPR, Paper 22, at 9–15, 23–28 (PTAB Feb. 8, 2017). Patent Owner argued, *inter alia*, that the claims require “for *each packet*, mak[ing] a discrete choice between network paths/interfaces,” and that Karol’s forwarding database facilitates network path selections “infrequently and not on a per-packet basis.” *Id.* at 24 (emphasis added). Patent Owner also argued that Karol does not disclose using address *ranges*, as recited in claim 5, but rather uses only a *single* destination IP address. *Id.* at 34–36.

On March 21, 2017, after Patent Owner’s response in the '976 IPR, Petitioner filed the Petition in the instant proceeding. The Petition in this proceeding is essentially identical to the one Petitioner filed only a few months earlier, in the '684 IPR, except that the instant Petition includes contentions that address certain deficiencies in Karol alleged by Patent Owner in its response in the '976 IPR. For example, regarding claim 4’s “per-packet basis” limitation, Petitioner contends in the instant Petition, as it did in the '684 IPR, that Karol discloses this feature, and Petitioner’s analysis is essentially identical to that in the '684 IPR (and to that in the '976 proceeding). However, Petitioner adds “[t]o the extent the Board finds that Karol fails to disclose [this feature] . . . Pearce discloses th[is] feature[.]” Pet. 33. Also, regarding claim 5’s recitation relating to “known location address ranges,” Petitioner contends in this proceeding, as it did in the '684

IPR, that Karol discloses this feature, and Petitioner's analysis is essentially identical to that in the '684 IPR (and to that in the '976 proceeding).

However, Petitioner adds "[i]n the event the Board finds that this element is not expressly disclosed in Karol . . . Zhang clearly discloses obtaining 'at least two known location address ranges which have associated networks.'" *Id.* at 12–13. In addition, Petitioner argues that to the extent we find that the combination of Karol and Pearce fails to teach selecting network paths on a per-packet basis, or that the combination of Karol and Zhang fails to teach a known location address range, McCullough teaches these features. *Id.* at 50–55.

As we noted above, between the '976 IPR and '684 IPR we have instituted *inter partes* review of all claims of the '235 patent that are challenged in the instant Petition. In addition, the primary prior art reference, Karol, and related arguments, are essentially identical to those in the '976 and '684 IPRs, but for the additional combinations with Pearce, Zhang, and McCullough that Petitioner introduces to address Karol's alleged shortcomings.

We note that even though Petitioner is not a party to the '976 IPR, that proceeding is in an advanced stage. It is important that we do not extinguish Petitioner's access to the proceedings before this body just because another party has sought review of the same claims. This is significant because Petitioner has no control over the decision to see the '976 IPR through to a final determination. Accordingly, we examine the facts of the matter before us to take care that we do not impose a strict bright line determination barring petitions from entities that are not a party to the original proceeding.

All briefing is complete in the '976 IPR, the oral hearing was held on August 14, 2017, and a final decision is due by November 2, 2017. At this point, the decision in the '976 IPR as to whether to see the matter through to final determination is squarely in our hands, regardless of whether any settlement is reached between the parties. *See* 37 C.F.R. § 42.74(a) (“The parties may agree to settle any issue in a proceeding, but the Board is not a party to the settlement and may independently determine any question of jurisdiction, patentability, or Office practice.”). Thus, if we deem it appropriate, we can reach a final decision on the grounds presented in the '976 IPR with or without participation from the parties in that matter. These facts weigh in favor of us exercising our discretion not to move forward with the instant Petition, at least with respect to the '976 instituted claims insofar as Petitioner’s arguments relate to Karol and are substantially identical to those in the '976 IPR, because the issues raised are fully briefed and ripe for a final decision in the '976 IPR, and Petitioner’s non-participation in that proceeding is at best neutral to our analysis.

Petitioner is a party to the '684 IPR, and in that proceeding the petition is directed to the same claims of the same patent as in this Petition. This fact weighs in favor of us not moving forward with the instant Petition. Also, at least with respect to the '684 instituted claims, insofar as Petitioner’s arguments relate to Karol and are substantially identical to those in the '684 IPR, Petitioner has the opportunity to address the same art and arguments in the '684 proceeding. It would be an inefficient use of Office resources, and would run counter to securing the just, speedy, and inexpensive resolution of the challenges to the patentability of the '235

patent, if we were to allow Petitioner to proceed on the same art and arguments in two separate proceedings.

Additional factors we consider here in determining whether to exercise our discretion and deny institution include:

whether at the time of filing of the '684 petition, Petitioner knew, or should have known, of Pearce, Zhang, and McCullough (“the Additional References”);

the length of time that elapsed between learning of the Additional References, and the filing of the instant Petition;

whether Petitioner has provided adequate explanation for the time lapse;

whether at the time of filing of the instant Petition, Petitioner already had access to Patent Owner’s response in the '976 IPR; and

the finite resources of the Board.

See Gen. Plastic Indus. at 16 (Paper 19) (informative). Petitioner provides no explanation of whether it knew or should have known of the Additional References when filing the '684 petition; of when it first learned of these references; or of any time lapse between learning of these references and the filing of the instant Petition.

As we discussed above, in between the time of filing of the '684 IPR and the instant Petition, Patent Owner filed a response in the '976 IPR. Accordingly, prior to filing the instant Petition, Petitioner had access to Patent Owner’s response in the '976 IPR. Whereas the '684 petition is essentially identical to the '976 petition (except for the addition of a few new claims), the instant Petition introduces the Additional References to specifically address shortcomings of Karol alleged by Patent Owner in the

'976 response. These facts indicate that in filing the '684 IPR, Petitioner essentially copied the '976 Petition, and in filing the instant Petition, Petitioner used Patent Owner's response in the '976 IPR as a roadmap, and therefore benefitted from having access to Patent Owner's arguments.

Regardless of when Petitioner first learned of the Additional References, Petitioner does not provide, nor do we discern, any explanation for why Petitioner could not have first introduced the Additional References in the petition for the '684 IPR. Petitioner had access to the '976 petition for more than eight months prior to filing the '684 petition, and therefore, was in a position to identify on its own any potential shortcomings of Karol prior to filing the '684 petition. Petitioner does not identify any surprises in Patent Owner's '976 response that would indicate Petitioner could not have identified, on its own, the alleged shortcomings of Karol addressed by the Additional References. Under the present circumstances, we find that Petitioner could have performed its own analysis of Karol as it applies to the Challenged Claims, performed a prior art search, and identified the Additional References prior to filing the '684 petition. Moreover, Petitioner could have included such references, with additional arguments, in a single petition along with the Karol arguments that it essentially copied from the '976 petition. It is wasteful of the Board's finite resources, and frustrates the purpose of *inter partes* review as providing a quick and cost effective alternative to litigation, when a Petitioner files what is, essentially, a copy of another party's petition, without any indication it performed its own analysis or conducted a search to identify additional art and arguments, then files another petition a few months later that introduces additional art and arguments that could have been presented in the earlier-filed petition.

Therefore, these additional factors, applied to the facts in this proceeding, weigh in favor of our exercising our discretion in denying institution.

As discussed above, the facts of this case support exercising our discretion under §§ 314(a) and 325(d) with respect to the challenged claims. Thus, we decline Petitioner's request to institute *inter partes* review of claims 4–15, 19, and 22–24 of the '235 patent.

IV. CONCLUSION

After due consideration of the record before us and for the foregoing reasons, we conclude that the circumstances of this case justify exercising our discretion under 35 U.S.C. §§ 314(a) and 325(d). Thus, we decline Petitioner's request to institute *inter partes* review of claims 4–15, 19, and 22–24 of the '235 patent.

V. ORDER

Accordingly, it is:

ORDERED that the Petition is denied as to all challenged claims of the '235 patent and no trial is instituted.

IPR2017-01125
Patent 6,775,235 B2

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