

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GUEST-TEK INTERACTIVE ENTERTAINMENT LTD.,
Petitioner,

v.

NOMADIX, INC.,
Patent Owner.

Case IPR2018-01660
Patent 8,725,899 B2

Before STEPHEN C. SIU, DANIEL J. GALLIGAN, and
MONICA S. ULLAGADDI, *Administrative Patent Judges*.

Opinion for the Board filed by *Administrative Patent Judge* ULLAGADDI.

Opinion Dissenting filed by *Administrative Patent Judge* SIU.

ULLAGADDI, *Administrative Patent Judge*.

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

I. INTRODUCTION

Guest-Tek Interactive Entertainment Ltd. (“Petitioner”) requests *inter partes* review of claims 1 and 10 of U.S. Patent No. 8,725,899 B2 (“the ’899 patent,” Ex. 1001) pursuant to 35 U.S.C. §§ 311 *et seq.* Paper 1 (“Pet.”). Nomadix, Inc. (“Patent Owner”) filed a preliminary response. Paper 6. (“Prelim. Resp.”).

Under 37 C.F.R. § 42.4(a), we have authority to determine whether to institute review. The standard for instituting an *inter partes* review is set forth in 35 U.S.C. § 314, which provides that an *inter partes* review may not be instituted unless the information presented in the Petition and the Preliminary Response 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.”

For the reasons that follow, we do not institute an *inter partes* review of any of the challenged claims of the ’899 patent.

II. BACKGROUND

A. *Related Proceedings*

The ’899 patent is asserted in *Nomadix, Inc.. v. Guest-Tek Interactive Entertainment Ltd.*, Case No. 2:16-CV-08033-AB-FFM (C.D. Cal.). Pet. 3.

Petitioner challenged claims 1–20 of the ’899 patent in the IPR2018-00392 proceeding (“the ’392IPR”), in which we denied institution.

Petitioner challenged claims 1–28 of U.S. Patent No. 8,266,266 B2 (“the ’266 patent”) in the IPR2018-00376 proceeding (“the ’376IPR”), in which we denied institution.

The ’266 patent and the ’899 patent are part of the same chain of continuity.

This proceeding is also related to IPR2018-01668 (“the ’1668IPR”), an *inter partes* review proceeding in which we concurrently deny institution based on Petitioner’s challenges to claims 1 and 24 of the ’266 patent. See ’1668IPR, Paper 6.

B. Asserted Ground of Unpatentability

Petitioner asserts that claims 1 and 10 are unpatentable under 35 U.S.C. § 103(a) over U.S. Patent No. 6,226,677 B1 (Ex. 1002, “Slemmer”) and U.S. Patent No. 6,389,462 B1 (Ex. 1003, “Cohen”). Pet. 4–5, 17.

III. ANALYSIS

A. Legal Framework of 35 U.S.C. § 314(a)

Petitioner contends that Slemmer and Cohen disclose or render obvious all of the claim limitations recited in the challenged claims. *Id.* at 21–52. Patent Owner contends that the Board should exercise its discretion to deny the Petition under either 35 U.S.C. § 314(a) or 35 U.S.C. § 325(d). Prelim. Resp. 2, 9.

As background to the filing of the Petition in the present proceeding, the Board instituted review earlier with respect to claims 1–28 of the ’266 patent. *Hospitality Core Servs., LLC v. Nomadix, Inc.*, IPR2016-00077 (“the ’77IPR”), Institution Decision, 3. In its petition in the ’376IPR, the present Petitioner acknowledged that the earlier Institution Decision in the ’77IPR instituted trial with respect to a petition filed by a different petitioner that is a non-party to the present proceeding. ’376IPR, Paper 2, 1. The ’77IPR was terminated by agreement before a Final Decision issued. See *id.* In the ’376IPR, Petitioner acknowledged that its petition was based on the “same combination of prior art,” as was set forth in the ’77IPR, i.e., Slemmer and

U.S. Patent No. 5,623,601 (“Vu”), and still further, based on “the same obviousness arguments previously presented to the Board in *Hospitality Core*.” *Id.* We further note that the petition in the ’77IPR relied on Cohen, the same reference forming the basis of the obviousness challenge in the present proceeding, as evidence in support of their position as to Slemmer and Vu, as did the petition in the ’376IPR. *Compare* ’77IPR, Paper 2, 20, 45, 52 *with*, ’376IPR, Paper 2, 28.

One notable difference between the petition filed in the ’77IPR and the petition filed in the ’376IPR was the lack of an expert declaration providing testimony to support the prior art combination in the latter IPR. The petition in the ’77IPR presented a detailed explanation of handshakes in the prior art, including in Vu, supported by declarant testimony. *See* ’77IPR, Paper 2, 20–24. By contrast, the petition in the ’376IPR asserted that Vu discloses a handshake, quoting various passages of Vu, without sufficient explanation as to how the quoted passages teach a handshake. *See* ’376IPR, Paper 2, 19–20. Rather, the petition in the ’376IPR referred to the Institution Decision in the ’77IPR and stated “[a]s noted in *Hospitality Core*, Vu discloses the ‘handshake’ not explicitly disclosed in Slemmer (Ex. 1002 at 13-16.)” *Id.* at 19. The ’77IPR Institution Decision was based on additional arguments and evidence that were not presented in the ’376IPR. In our Decision Denying Institution in the ’376IPR, we found that “Petitioner fails to explain sufficiently that Vu also discloses a ‘connection handshake,’ as recited in claim 1 (and claims 11 and 24).” *Id.* at 9, 5–6; *see also* ’392IPR, Paper 9, 5 (determining the same deficiencies with respect to the application of Slemmer and Vu to the challenged claims of the ’899 patent).

The Petition in the present proceeding seeks to address the deficiencies of the '392IPR petition with, for example, the Declaration of Dr. Peter Dordal (Ex. 1004). In the petition in the '392IPR, Petitioner “simply asks the Board to reach a similar conclusion . . . when the Board reviewed and instituted IPR proceedings as to the '266 patent,” in the '77IPR because “the features recited in claims 1–20 of the '899 patent include essentially a subset of the features recited in claims 1–28 of the '266 patent.” '392, Paper 2, 1.

With that background, we proceed with our analysis. 35 U.S.C. § 314(a) provides that:

35 U.S.C. § 314(a) provides that:

The Director [of the USPTO] may not authorize an *inter partes* review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.

Section 314(a) does not require the Director to institute an *inter partes* review. *See Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“[T]he PTO is permitted, but never compelled, to institute an IPR proceeding.”). Rather, a decision whether to institute is within the Director’s discretion, and that discretion has been delegated to the Board. *See* 37 C.F.R. § 42.4(a); *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”).

In a precedential decision in *General Plastic Industrial Co. v. Canon Kabushiki Kaisha*, the Board articulated a non-exhaustive list of

factors to be considered in evaluating whether to exercise discretion, under 35 U.S.C. § 314(a), to deny a petition that challenges a patent that was previously challenged before the Board. *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, slip op. 16–17 (PTAB Sept. 6, 2017) (Paper 19) (precedential). These factors include:

1. whether the same petitioner previously filed a petition directed to the same claims of the same patent;
2. whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should have known of it;
3. whether at the time of filing of the second petition the petitioner already received the patent owner’s preliminary response to the first petition or received the Board’s decision on whether to institute review in the first petition;
4. the length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition;
5. whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions directed to the same claims of the same patent;
6. the finite resources of the Board; and
7. the requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review.

Id. These factors are “a non-exhaustive list” and “additional factors may arise in other cases for consideration, where appropriate.” *Id.* at 16, 18.

B. Patent Owner’s 35 U.S.C. § 314(a) Arguments

In its Preliminary Response, Patent Owner argues that we should exercise our discretion to deny institution under 35 U.S.C. § 314(a). Prelim. Resp. 9–20.

With respect to factor 1, Patent Owner argues that Petitioner earlier challenged claims 1 and 10 of the '899 patent in the '392IPR. Prelim. Resp. 10. With respect to factor 2, Patent Owner asserts that Petitioner knew of the two references asserted in its sole ground for challenge in the present proceeding (see Pet. 4–5, 17) at the time of filing the '392IPR in December of 2017. Prelim. Resp. 11. Patent Owner argues that, at the time of filing the earlier '392IPR and '376IPR, “not only was Petitioner aware of both Slemmer and Cohen, it had already developed the obviousness argument based on those references that it relies on in this petition.” *Id.* According to Patent Owner, in the '392IPR, Petitioner challenged the '899 patent based on a combination of Slemmer and Vu (U.S. Patent No. 5,623,601) as evidenced by “many other prior art references that also teach [the handshake limitations missing from Slemmer],” including “U.S. Patent No. 6,389,462 to Cohen.” Prelim. Resp. 11–12 (alteration in original) (citing Ex. 2001, 5, 16, 23). Having reviewed Patent Owner’s arguments and the cited evidence, we agree that Petitioner knew about the prior art now asserted when it first challenged claims 1 and 10, and we are persuaded that factors 1 and 2 weigh in favor of exercising discretion to deny institution of the present proceeding.

With respect to factor 3, the Petition in the present proceeding was filed after Patent Owner’s preliminary responses in the '376IPR and '392IPR proceedings and after we denied institution of those proceedings, and, thus, Petitioner had the benefit of Patent Owner’s arguments *and* our determinations with respect to the '392IPR and '376IPR in preparing the present Petition. As noted above in Section II.A, Petitioner also challenged the '899 patent in the '392IPR proceeding. In our Decision Denying

Institution in the '392IPR, we determined that "Petitioner fails to explain sufficiently that Vu also discloses a 'connection handshake,' as recited in claim 1 (and claims 10 and 17)." '392IPR, Paper 9, 5. We further noted that, although Petitioner generally argued that each of additionally cited references, including Cohen ('392IPR, Ex. 1009), which is cited in the present proceeding, "discloses a 'handshake,' Petitioner fails to provide an adequate explanation" as to how any of the references "is helpful to show how a person of ordinary of skill in the art would have read the disclosures of Slemmer or Vu, or how the additionally cited references demonstrates that Slemmer and/or Vu discloses or suggests a 'handshake.'" '392IPR, Paper 9, 5–6. Petitioner's contentions in the present proceeding appear to be directly responsive to, i.e., use as a roadmap, the Patent Owner's arguments and the Board's findings in the '392IPR. *See Gen. Plastic* at 17 ("The absence of any restrictions on follow-on petitions would allow petitioners the opportunity to strategically stage their prior art and arguments in multiple petitions, using our decisions as a roadmap, until a ground is found that results in the grant of review."). Thus, factor 3 weighs in favor of exercising discretion to deny institution of the present proceeding.

With respect to factors 4 and 5, the Petition in the '392IPR was accorded a filing date of December 28, 2017. '392IPR, Paper 3, 1. The Petition in the present proceeding was accorded a filing date of September 27, 2018. Paper 5, 1. As noted above, Petitioner does not provide *any* explanation as to the length of time elapsed between the filings of the Petition in the '392IPR and the Petition in the present proceeding. Given the circumstances of this proceeding, discussed above with respect to *General Plastic* factors 1–3, it was incumbent upon Petitioner to provide such an

explanation in its Petition. Thus, factors 4 and 5 weigh strongly in favor of exercising our discretion to deny institution of the present proceeding.

With respect to factors 6 and 7, we know of no reason why this proceeding would tax unduly the resources of the Board, or why we could not meet the requirement of 35 U.S.C. § 316(a)(11) to issue a final determination within one year after institution. Accordingly, we determine that these factors are neutral to the analysis.

Based on the analysis above, we determine that the factors enumerated in *General Plastic* weigh in favor of exercising our discretion to deny institution of the present proceeding.

IV. ORDER

In consideration of the foregoing, it is

ORDERED that the petition for *inter partes* review is *denied* and no trial is instituted.

IPR2018-01660
Patent 8,725,899 B2

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MONICA S. ULLAGADDI, *Administrative Patent Judges*.

SIU, *Administrative Patent Judge*, dissenting

I respectfully disagree with the Majority's decision. In my view, the Petitioner has shown that there is a reasonable likelihood that Petitioner would prevail in establishing the unpatentability of at least one of claims 1 and 10 of the '899 patent. As opposed to the Majority's approach, I would have instituted an *inter partes* review as to claims 1 and 10 of the '899 patent as unpatentable under 35 U.S.C. § 103(a) as obvious over Slemmer¹ and Cohen.²

¹ US Patent No. 6,226,667 B1 (Ex. 1002, "Slemmer").

² US Patent No. 6,389,462 (Ex. 1003, "Cohen").

Guest-Tek Interactive Entertainment Ltd. (“Petitioner”) requests *inter partes* review of claims 1 and 10 of U.S. Patent No. 8,725,899 B2 (“the ’899 patent,” Ex. 1001) pursuant to 35 U.S.C. §§ 311 *et seq.* Paper 1 (“Pet.”). Nomadix, Inc. (“Patent Owner”) filed a preliminary response. Paper 6 (“Prelim. Resp.”).

Petitioner contends claims 1 and 10 are unpatentable under 35 U.S.C. § 103(a) as obvious over Slemmer and Cohen and explains how the cited references describe all of the claim limitations. Pet. 17–22. For example, claim 1 recites a system which causes a user device to receive alternate content different from what was requested by the user device. As Petitioner explains (Pet. 17), Slemmer discloses a “user machine” that receives content that “is different from that expected to be obtained by the user machine.” Ex. 1002, 2:39–44.

Claim 1 recites a communications port configured to receive incoming data from the user device relating to accessing a first network location external to the network management system. As Petitioner explains, Slemmer discloses a “forced proxy server” that receives “TCP packets from the user machine” and that the incoming data “includes a first destination IP address [that] point[s] to a location on the Internet which typically includes content,” the location being “external to the intranet on which the proxy 130 is located.” Pet. 18 (citing Ex. 1002, 2:49–55, 5:2–3, Fig. 1).

Claim 1 recites a processor unit programmed to complete a connection handshake with the user device while appearing to be the first network location, the connection handshake being completed in response to the incoming data and without the need to communicate with the first network location. As Petitioner explains, Slemmer discloses a “proxy server 130 that

responds to requests from user machines ‘as if they were the web server on the Internet 140.’” Pet. 18 (citing Ex. 1002, 4:37–47). Petitioner also explains that Cohen discloses “a communication session initiated as a result of . . . a first device . . . sending data to a second device” and “establishing a TCP connection that allows [the devices] to communicate with each other as a result of the client computer sending a ‘SYN’ packet that is redirected to the proxy cache, and then the proxy cache sending an ‘ACK SYN’ packet to the client computer, and the client computer responding with an ‘ACK’ packet to the proxy cache [i.e., a “handshake”].” Pet. 20–21 (citing Ex. 1002, 8:59–9:18, 15:13–34). Also, “when receiving the ACK SYN packet from the proxy cache, ‘the client believes that it is connected to the origin server.’” Pet. 21 (citing Ex. 1002, 8:45–52, 9:13–15). Hence, Cohen also establishes a TCP connection, including completing a connection handshake in response to incoming data without the need to communicate with the first network location, as recited in claim 1, for example.

Petitioner and Petitioner’s expert (Dr. Dordal) provide sufficient reasons with supporting factual underpinnings to support the conclusion that it would have been obvious to one of ordinary skill in the art to have combined the teachings of the known network management system that forms a TCP connection between a proxy server and a user device (i.e., Slemmer) with the known feature of forming a TCP connection including a “connection handshake” without the need to communicate with the first network location (i.e., Cohen). *See, e.g.*, Pet. 22–31.

Claim 1 recites that the processor unit is further programmed to generate response data, the response data including alternate content different from content to be accessed at the first network location, wherein

the response data appears to be from the first network location by at least including a source address corresponding to the first network location in a header of the response data. As Petitioner explains, Slemmer discloses that the proxy server 130 “provides content to the user machine in which at least a majority of the content is different from that expected to be obtained by the user machine.” Pet. 19 (citing Ex. 1002, 2:39–44, 4:37–51, 5:62–6:10).

Petitioner also argues that Cohen discloses that the response data includes a “source address,” as recited in claim 1. For example, as Petitioner explains, Cohen discloses a transmitting packets to the client computer, the packets “coming from the origin server by translating their . . . source address [in the packet headers] to that of the origin server.” Ex. 1003, Abstract, 8:40–52, 9:19–23, 12:10–13, 14:42–45, 16:51–58, Tables 1–2). In addition, Petitioner and Petitioner’s expert (Dr. Dordal) provide sufficient reasons with supporting factual underpinnings to support the conclusion that it would have been obvious to one of ordinary skill in the art to have combined the teachings of Slemmer and Cohen. *See, e.g.*, Pet. 22–31.

Claim 1 recites that the processor unit is further programmed to send to the user device the generated response data including the alternate content. As Petitioner points out, Slemmer discloses a proxy server program “providing information to the user machine 120 from . . . a web site different from the . . . requested site.” Pet. 20 (citing Ex. 1002, 2:39–44, 4:44–51).

In addition, Petitioner provides sufficient reasons with supporting factual underpinnings to support the conclusion that it would have been obvious to combine the teachings of Slemmer and Cohen. Pet. 22–31.

Patent Owner argues that “[t]he Board is never required to institute review . . . [which is] an exercise of discretion.” Prelim. Resp. 9. I agree

with Patent Owner that it is the Board's discretion whether or not to institute and that "in determining whether to institute . . . [the Board] may take into account whether . . . the same . . . prior art or arguments previously were presented to the Office." 35 U.S.C. § 325(d). Based on the facts of the present case, I would decline to exercise my discretion to deny institution based on 35 U.S.C. § 325(d). Notably, the present petition presents a different combination of references (Slemmer and Cohen as opposed to Slemmer and Vu) and presents different arguments (i.e., arguments pertaining to Slemmer and Cohen and no argument at all regarding Vu, which is no longer relied upon in the present petition). Under 35 U.S.C. § 325(d), non-institution of the present matter is not mandated.

Patent Owner cites "the seven General Plastic factors"³ in support of Patent Owner's contention that "this case weighs heavily against institution." Prelim. Resp. 9, 10. In particular, Patent Owner argues generally that Petitioner previously filed a petition directed to the same claims of the same factor (Factor 1), Petitioner knew of the prior art asserted in the present petition (Factor 2), Petitioner already received Patent Owner's preliminary response to and/or received a decision on the prior petition (Factor 3), Petitioner waited an unacceptable amount of time after learning of prior art asserted in the present petition to file the present petition (Factor 4), and Petitioner failed to adequately explain the amount of time elapsed in Factor 4 (Factor 5). *See, e.g.*, Prelim. Resp. 9–17.

³ *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, Case IPR2016-01357, IPR2016-01358, IPR2016-01359, IPR2016-01360, IPR2016-01361 (PTAB Sept. 6, 2017) (Paper 19) (hereinafter "*General Plastic*").

I agree with Patent Owner that the present petition asserts unpatentability of at least some of the same claims of the same patent (i.e., claims 1 and 10 of the '899 patent) as challenged in a previously filed petition, that Petitioner knew of the prior art asserted in the present petition at the time of filing of the previously filed petition (Slemmer and Cohen, cited in the present matter, were each cited in the previously filed petition), that Petitioner received both Patent Owner's preliminary response and a decision (not to institute) for the previously filed petition prior to filing the present Petition, and that a certain length of time has elapsed between the filing of the previous petition and the filing of the present petition. However, the presently filed Petition is responsive to the specific deficiencies outlined in the decision not to institute for the previously filed petition rendering each of Factors 1–4 inapplicable, in my view, to the present matter. Also, the present petition was filed September 5, 2018, only 14 days after the Decision (on rehearing) not to institute was issued on August 22, 2018. I disagree with Patent Owner that 14 days constitute an excessive delay to file the present petition. Nor do I agree with Patent Owner (*see, e.g.*, Prelim. Resp. 16) that an explanation for the 14 day “delay” is warranted considering that 14 days is not an excessive amount of time to file a responsive petition after becoming aware of specific flaws in the previously filed petition that is denied (Factor 5).

For Factor 6, the “resources of the Board” are sufficient at this time to manage this matter and, for Factor 7, “the requirement . . . to issue a final determination not later than 1 year after the data on which the Director notices institution of review” does not present any specific issues that would preclude institution of this present matter. *See, e.g.*, Prelim. Resp. 16–17.

Hence, in my view, all *General Plastic* factors are inapplicable in the present matter, none of the factors suggests mandatory non-institution of the present matter, and I would decline to exercise my discretion under 35 U.S.C. § 325(d) to deny institution of the present matter based on these factors. *See, e.g.*, Prelim. Resp. 20–22.

The Majority mechanically applies “factors” of limited relevance to the current matter and concludes that the “factors” “weigh in favor of . . . deny[ing] institution of the present proceeding.” *See, e.g.*, Maj. Dec. 9. I cannot agree with my colleagues in this regard. As 35 U.S.C. § 325(d) directs us, “[i]n determining whether to institute [an *inter partes* review] . . . the Director may take into account whether . . . the same or substantially the same prior art or arguments previously were presented to the Office.” The statute makes clear that the “Director” has discretion as to whether or not to institute an *inter partes* review. The statute further provides an example of one factor that the Director *may* consider in making this decision, namely, whether the “same prior art or arguments previously were presented to the Office.” Notably, 35 U.S.C. § 325(d) does *not* mandate that “[i]n determining whether to institute . . . the Director *must not* institute the proceeding *if* the same or substantially the same prior art or arguments previously were presented to the Office.”

In *General Plastic*, an expanded panel of the Patent Trial and Appeal Board restated the generally accepted policy that in determining whether or not to institute an *inter partes* review, the Board “may consider” explicitly stated “factors.” *Gen. Plastic*, Paper 19, 9. Notably, the panel in *General Plastic* states that “the Board determined that, when exercising discretion to deny institution of an *inter partes* review, we may consider the following

factors.” In accordance with 35 U.S.C. § 325(d), *General Plastic* did not state that “the Board determined that, when exercising discretion to deny institution of an *inter partes* review, we *must* deny institution *if any* of the following factors are true.” *Id.*

The Office Patent Trial Practice Guide (August 2018 Update) (“Practice Guide”) further emphasizes that the factors presented in *General Plastic* are neither conclusive nor exclusive in determining whether or not to institute an *inter partes* review. Rather, the Practice Guide instructs us to exercise our discretion in making such determinations and that “[t]he *General Plastic* factors, alone or in combination, are not dispositive, but part of a balanced assessment of all relevant circumstances in the case, including the merits. [*General Plastic*, slip op. at] 15 (‘There is no *per se* rule precluding the filing of follow-on petitions.’).” Office Patent Trial Practice Guide August 2018 Update at 10 (available at <https://go.usa.gov/xU7GP>).

After robotic application of “factors” to the current matter, the Majority states that “factors” 1–5 “weigh in favor of exercising discretion to deny institution.” *See, e.g.*, Maj. Dec. 6–9. While the Majority carefully phrases its conclusion as “exercising discretion,” practically speaking, the Majority essentially recasts all of 35 U.S.C. § 325(d), the policy outlined in *General Plastic*, and admonishments of the Practice Guide, to stand for a proposition that in determining whether or not to institute an *inter partes* review, the Board *must deny* institution *if any* of the factors outlined in *General Plastic* is true. I must disagree with the Majority for at least the reason that neither 35 U.S.C. § 325(d) nor the policy outlined in *General Plastic* states or even implies such a proposition. In fact, both state the opposite – namely, that, while the Board *may* consider the explicitly stated

“factors,” the Board has the discretion in each matter to determine whether or not to institute based on any number of factors, and not limited exclusively to only the factors explicitly enumerated in *General Plastic*. Also, based on the straightforward reading of *General Plastic*, it is clear that none of the explicitly stated factors must be considered a *determinative* factor in making the determination whether or not to institute an *inter partes* review. *Gen. Plastic*, Paper 19, 9. In other words, based on the plain wording of both 35 U.S.C. § 325(d) and the holding in *General Plastic*, the decision to institute (or not) an *inter partes* review is not based solely on whether any of the enumerated factors is true. Adopting the Majority’s position to the contrary, the determination whether or not to institute an *inter partes* review collapses into a robotic and mindless application of “if factor X is true, then do not institute” in which only the enumerated factors are dispositive even when taken completely out of context. Under such a misguided policy, while perhaps simplifying the procedure considerably given that *all* subsequently filed petitions following the first filing will automatically be denied under the guise of “exercising discretion,” such an approach has the effect of resulting in nonsensical conclusions, as is happening in this case.

In the previous petition, Petitioner filed a petition challenging various claims of the ’899 patent as unpatentable over the combination of Slemmer and Vu. IPR2018-00392, Paper 1, 16. Petitioner also presented Cohen as a reference demonstrating the state of the prior art and as evidence that one of skill in the art would have understood that a known process (i.e., creating a TCP connection) would have included performing a known sub-process (i.e., creating a TCP connection would have entailed performing a TCP

handshake). IPR2018-00392, Paper 1, 23. The Board denied institution of that petition based on the Board's determination that Petitioner had not provided sufficient explanation as to why it would have been obvious to one of ordinary skill in the art to have combined the teachings of Cohen with those of Slemmer and/or Vu. IPR2018-00392, Paper 9, 5–6.

In response to the Board's finding that Petitioner's arguments regarding the combinability of the cited prior art references were inadequate, the Petitioner refiled the petition (i.e., the present petition) with additional arguments pertaining to combinability of Slemmer and Cohen, thereby supplementing arguments that the Board previously stated were either inadequate or missing. Pet. 20–31. In response to Petitioner's refiling of the petition specifically addressing issues the Board previously stated were insufficiently addressed in the first petition, the Majority in this refiling would deny the petition again based on the Majority's misreading of 35 U.S.C. § 325(d) and *General Plastic* that denial of institution of *inter partes* reviews is somehow mandatory if any of the enumerated factors in *General Plastic* is true no matter what other issues may exist. In my view, such an approach is overly dogmatic, near-sighted, and improper.

The first four “factors” enumerated in *General Plastic* are: 1) whether the same petitioner previously filed a petition directed to the same claims of the same patent, 2) whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should have known of it, 3) whether at the time of filing of the second petition, the petitioner already received the patent owner's preliminary response to the first petition or received the Board's decision on whether to institute review in the first petition, and 4) the length of time that elapsed between the time

the petitioner learned of the prior art asserted in the second petition and the filing of the second petition. In essence, each of these four enumerated factors asks the same question – that is, is the current petition a refiling? In the present case, it is already clearly established that the petition is a refiling so it stands to reason that the answer to each of these 4 factors is “yes.” Under the circumstances of the present case, the most logical question isn’t whether the answer is “yes” or “no” to these factors (essentially the same factor) when taken out of context. Rather, the actual question to be asked is: is the answer to any of these “factors” relevant to the present matter when considered in context of the facts of the current proceeding. As previously explained above, the answer to the properly framed consolidated question is “no.” In my view, this is the main reason why it is clearly stated, both in 35 U.S.C. § 325(d) and *General Plastic*, that the ultimate decision whether to institute or not is in the discretion of the “Director,” who *may* consider certain factors, and not that non-institution is *imposed* on the “Director” as long as any of the stated factors is technically true.

In *General Plastic*, Petitioner filed a first petition challenging various claims as unpatentable over certain references (i.e., anticipation by Matsouka), which was denied institution. *Gen. Plastic*, Paper 16, 2–3. Petitioner then filed a second petition challenging the same claims as unpatentable over different references (i.e., Suzuki, Ikesue, and Yasuda). *Id.* at 8. The Board exercised its discretion in that case to deny institution of the second petition because “[t]he shift in the prior art asserted and arguments in serial proceedings is of particular concern here,” “additional prior art searching was not commenced until after issuance of a decision denying institution of the First Petition,” and the second petition was “absent any

rationale as to why these challenges could not have been brought earlier.” *Id.* at 11–12. None of these issues apply in the present matter. The Majority in the present case nevertheless mechanically runs through each of the “factors” and erroneously concludes that we are somehow required to deny institution even though such an outcome is nonsensical as well as contrary to the holding of the prior Board cases on which the Majority relies. I cannot agree with the Majority that a different case with different facts (i.e., *General Plastic*) somehow requires the same result in the present proceeding, the facts of which do not resemble those of *General Plastic*.

General Plastic relies heavily on *NVIDIA*.⁴ In *NVIDIA* (which also reiterates the generally accepted concept that “Institution of *inter partes* review is discretionary” (Paper 9 at 2)), Petitioner filed a first petition challenging various claims over certain references (i.e., Yamakawa and Yeh), then filed a second petition challenging the same claims over a different reference (i.e., Hsu) that Petitioner had known about and supposedly could have included in the first filing, but that Petitioner failed to provide an explanation about the delayed filing (*id.* at 11–12). The Board exercised its discretion under the facts of that case (which are clearly distinct from the facts of the present matter) and determined that “it would be unjust to Patent Owner to institute review in this proceeding” and to “hold Petitioner accountable for its own actions and inactions.” *Id.* The differences between the relevant facts of *NVIDIA* and/or *General Plastic* and those in the present case are numerous. The Majority makes no reasonable attempt to logically reconcile the facts of *NVIDIA* or *General Plastic* (or any

⁴ *NVIDIA Corp. v. Samsung Elec. Co.*, Case IPR2016-00134 (PTAB May 4, 2016) (Paper 9) (hereinafter, “*NVIDIA*”).

other matter) with the very different facts of the present matter but instead takes optional “factors” out of context, arbitrarily determines the “factors” to be mandatory and exclusive, ignores the context of the present case, then blindly and inappropriately applies the “factors” to achieve an illogical result in the present case. Again, I cannot agree with the Majority’s methodology or line of reasoning.

Hence, I would have instituted *inter partes* review in the present matter of claims 1 and 10 of the ’899 patent as unpatentable under 35 U.S.C. § 103(a) as obvious over Slemmer and Cohen.