

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE LLC,
Petitioner,

v.

FLYPSI, INC. (D/B/A FLYP),
Patent Owner.

IPR2023-00360
Patent 9,667,770 B2

Before ROBERT J. WEINSCHENK, JAMES J. MAYBERRY, and
MICHAEL T. CYGAN, *Administrative Patent Judges*.

MAYBERRY, *Administrative Patent Judge*.

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

I. INTRODUCTION

A. *Background and Summary*

Google LLC (“Petitioner”) filed a Petition requesting *inter partes* review of claims 1–6 (the “Challenged Claims”) of U.S. Patent No. 9,667,770 B2 (Ex. 1001, the “’770 patent”). Paper 1 (“Pet.”), 1. Flypsi, Inc. (“Patent Owner”) filed a Preliminary Response to the Petition. Paper 6 (“Prelim. Resp.”). With our authorization, Petitioner filed a Preliminary Reply (“Prelim. Reply,” Paper 7) and Patent Owner filed a Preliminary Sur-reply (“Prelim. Sur-Reply,” Paper 8).

We have authority to determine whether to institute an *inter partes* review. 35 U.S.C. § 314 (2018); 37 C.F.R. § 42.4(a) (2021) (permitting the Board to institute trial on behalf of the Director). To institute an *inter partes* review, we must determine that the information presented in the Petition shows “a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a). For the reasons set forth below, upon considering the current record, we institute an *inter partes* review.

B. *Real Parties-in-Interest*

Petitioner identifies itself as the real party-in-interest. Pet. 1. Patent Owner identifies itself as the real party-in-interest. Paper 4, 2.

C. *Related Matters*

The parties identify the following litigations as matters related to the ’770 patent: *Flypsi, Inc., (d/b/a Flyp) v. Google, LLC*, No. 6:22-cv-00031 (W.D. Tex.); *Flypsi, Inc. (d/b/a Flyp) v. Dialpad, Inc.*, No. 6:21-cv-00642 (W.D. Tex.).

The parties identify the following U.S. patents with concurrently filed IPR petitions as matters related to the '770 patent: US 10,051,105 (“the ’105 patent”), US 11,012,554 (“the ’554 patent”), US 10,334,094 (“the ’094 patent”), and US 11,218,585 (“the ’585 patent”).

D. The '770 Patent

The '770 patent, titled “Telephone Network System and Method,” issued May 30, 2017, from application US 14/307,052. Ex. 1001, codes (54), (45), (21). The '770 patent ultimately claims priority to application US 13/944,853, filed on July 17, 2013. *Id.* at code (63).

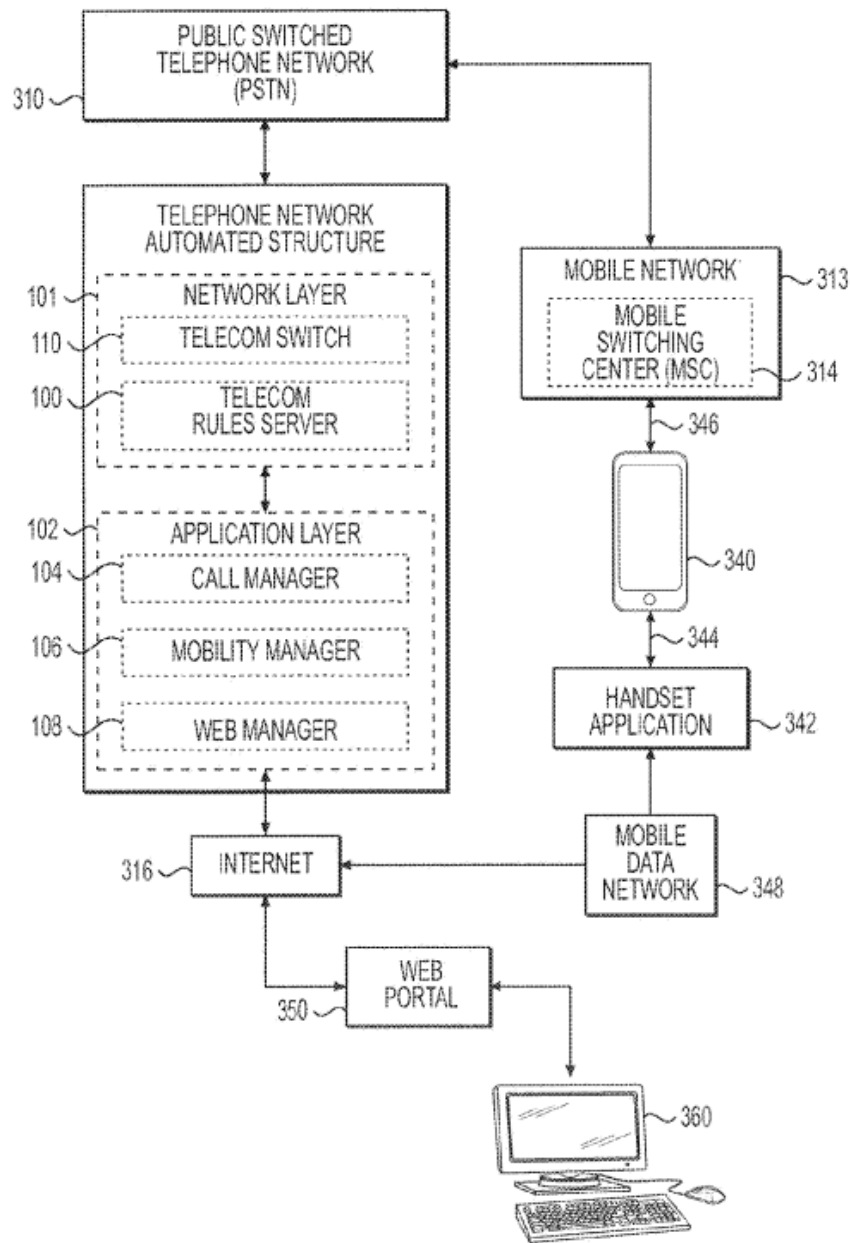
The '770 patent relates to “[s]ystems for and methods of delivering telephone calls using the combination of a data channel and a voice channel.” Ex. 1001, Abstract. “A data channel connection with the telephone handset may provide pre-call information used to set up incoming and outgoing calls which are ultimately connected using a voice channel,” and “[u]se of the pre-call information may permit the same handset to be associated with multiple secondary telephone numbers from which calls appear to have been made and to which calls appear to have been placed.” *Id.*

The '770 patent “permits the user to select one or more secondary telephone numbers to be referenced to a primary telephone number for the handset.” Ex. 1001, 4:67–5:2. A “bridge telephone number” may be “assign[ed] . . . to be used to connect the call from the handset 340 to the switch 110 and send pre-call information including the bridge telephone number to the handset via the data channel.” *Id.* at 7:50–54. “The bridge telephone number may be associated with the switch 110, and calls to the bridge telephone number may be automatically routed to this switch.” *Id.*

at 7:55–57. The bridge telephone number is associated “with the primary telephone number for the handset 340, the secondary telephone number selected for the call, and the contact telephone number to be called.” *Id.*

at 7:57–63. The ’770 patent allows “the secondary telephone number to be displayed as the number from which the call appears to have been placed.” *Id.* at 8:22–26.

Figure 3, reproduced below, illustrates “data channel and voice channel connections used to provide telephone service.” Ex. 1001, 3:50–52.



As shown in Figure 3, an “incoming call is routed from the caller’s telephone to the PSTN 310,” and “over the PSTN 310 to the switch 110.” Ex. 1001, 5:57–59. Then, “the call Manager 104 may assign or look up a bridge telephone number to be used for completion of the call,” and the “bridge telephone number may be associated with the switch 110, and calls

to the bridge telephone number may be automatically routed to this switch.” *Id.* at 5:66–6:4. Call information, including “the assigned/looked up bridge telephone number” is transmitted “via the data channel connection, i.e., over the Internet 316 and the Mobile Data Network 348.” *Id.* at 6:33–37. The ’770 patent differentiates between “IP governed communications . . . conducted over a ‘data channel,’” and “CDMA, GSM or like governed communications, when used to carry voice information . . . conducted over a ‘voice channel.’” *Id.* at 4:35–46.

E. Challenged Claims

The Petition challenges claims 1–6. Pet. 3. Claim 1 is the sole independent claim, which we reproduce below.

1. A method of providing telephone service, the method comprising:
 - associating a secondary telephone number with a primary telephone number in at least one computer memory device, the primary telephone number being assigned to a handset;
 - acquiring first digital information from the handset over at least one data channel, the first digital information indicating primary call processing rules for handling calls directed to the primary telephone number;
 - storing the primary call processing rules in the at least one computer memory device;
 - acquiring second digital information from the handset over the at least one data channel, the second digital information indicating secondary call processing rules for handling calls directed to the secondary telephone number;
 - storing the secondary call processing rules in the at least one computer memory device;
 - receiving an incoming call over at least one voice channel at a switch, the switch being associated with a bridge telephone number such that calls directed to the bridge telephone number are automatically routed to the switch, the incoming call being directed to a handset-associated telephone number, the handset-

associated telephone number being the primary telephone number or the secondary telephone number, and;

based on the primary call processing rules or the secondary call processing rules:

transmitting pre-call information to the handset over the at least one data channel the pre-call information including the bridge telephone number and the handset-associated telephone number, such that the handset is capable of displaying the handset-associated telephone number to a user and, based on user input, accepting the incoming call by connecting with the switch over the at least one voice channel using the bridge telephone number.

Ex. 1001, 10:10–33.

F. Prior Art and Asserted Grounds

Petitioner asserts that the Challenged Claims are unpatentable based on four grounds:

Claims Challenged	35 U.S.C. §	References/Basis
1–5	103 ¹	Backhaus ² , Logan ³
6	103	Backhaus, Logan, Saksena ⁴
1–5	103	Backhaus, Logan, Taylor ⁵
6	103	Backhaus, Logan, Saksena, Taylor

Pet. 3.

Petitioner also relies on the declaration testimony of Dr. Lin.

Ex. 1002; *see also* Ex. 1003 (providing Dr. Lin’s Curriculum Vitae).

¹ The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284, 296–07 (2011), took effect on September 16, 2011. The changes to 35 U.S.C. §§ 102 and 103 in the AIA do not apply to any patent application filed before March 16, 2013. Because the earliest possible priority date for the ’770 patent is after March 16, 2013, we refer to the AIA version of the statute.

² US 2013/0295892; published Nov. 7, 2013 (Ex. 1005, “Backhaus”).

³ US 2010/0128857 A1, published May 27, 2010 (Ex. 1015, “Logan”).

⁴ US 2006/0077956; published Apr. 13, 2006 (Ex. 1008, “Saksena”).

⁵ US 2009/0052437; published Feb. 26, 2009 (Ex. 1007, “Taylor”).

The following subsections provide brief descriptions of the asserted prior art references.

1. *Backhaus (Ex. 1005)*

Backhaus, titled “System and Method for Provision of a Second Line Service to a Telecommunications Device Using Mixed Protocols,” published November 7, 2013 from an application, US 13/920,056, filed June 17, 2013. Ex. 1005, codes (54), (43), (21), (22). The application claims priority to a parent application, US 13/466,074, filed May 7, 2012, and to a provisional application, US 61/660,772, filed June 17, 2012. *Id.* at codes (63), (60).

Backhaus relates generally to “routing calls between a third party telecommunications device (‘TD’) and a subscriber TD associated with a primary service and a second line service (‘SLS’).” Ex. 1005, code (57) (Abstract). We reproduce Backhaus’s Figure 1, below, as annotated by Petitioner.

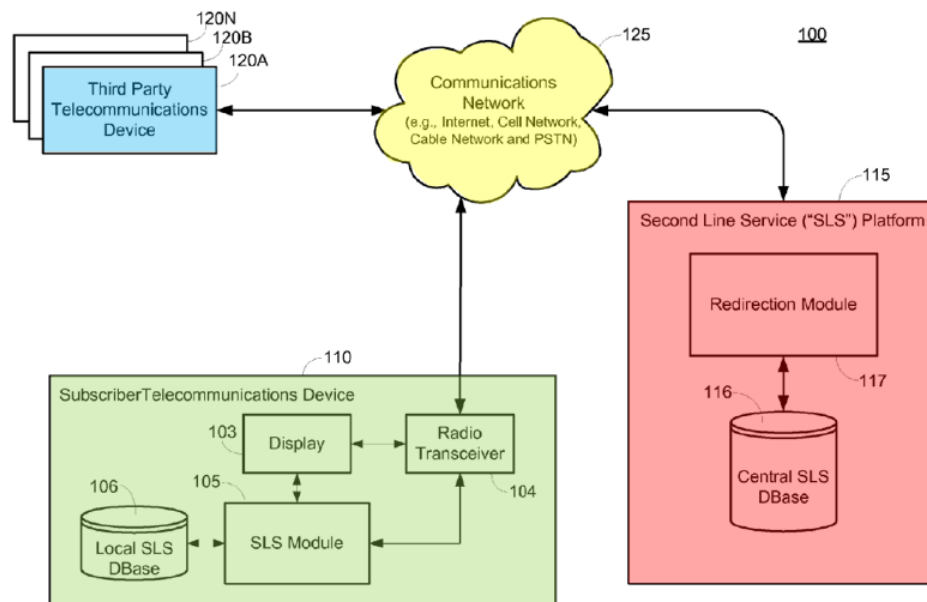


FIG. 1

Pet. 10. Backhaus’s Figure 1 depicts “a system for providing a second line service . . . to a user of telecommunications device,” with Petitioner annotating the figure by coloring sections of the system. *Id.*; Ex. 1005 ¶ 17. A subscriber TD 110 (in green in the figure above) is associated with a primary phone number provided by a telephone service provider and a secondary phone number provided by SLS platform 115. Ex. 1005 ¶ 32.

In operation, any calls placed to the primary or secondary phone number from third party TD 120 (in blue in the figure above) to subscriber TD 110 are routed through communications network 125 (in yellow in the figure above), for example, a cellular network, PSTN, cable network, or the Internet. Ex. 1005 ¶ 32. A call made to the primary phone number is routed directly to subscriber TD 110. *Id.* ¶ 33. A call made to the secondary, or SLS, number is routed to SLS platform 115 (red in the figure above). At SLS platform 115, redirection module 117 queries central SLS database 116 to determine the subscriber TD associated with the secondary phone number called by the third party. Once this determination is made, redirection module 117 modifies the call data to reflect its identification as a call for the second line number and then makes the call available at the primary number associated with subscriber TD 110 associated with the called secondary phone number.

2. *Logan (Ex. 1015)*

Logan, titled “Call Forwarding System and Method Employing Virtual Phone Numbers Associated with Landline and Other Discrete Telephone Units,” published May 27, 2010, from application US 12/344,073, filed December 24, 2008. Ex. 1015, codes (54), (43), (21), (22).

The application claims priority to provisional application US 61/009,177, filed December 26, 2007. *Id.* at code (60).

Logan “relates to systems and methods for selectively forwarding calls to specified phone numbers.” Ex. 1015 ¶ 2. The disclosed systems and methods include forwarding multiple “virtual” phone numbers to a user’s cellphone, which has a single “base” phone number. *Id.* ¶ 21. Logan refers to this cellphone as a Multi Number Cellphone (“MNC”). *Id.*

Relevant to this proceeding, “[i]n the initial set-up of the system, a user, via his MNC . . . 140 can enter a set of preferences that are transmitted to the system server 130 via datastream 134. These preferences notify the system server of which calls a user desires to receive.” Ex. 1015 ¶ 29.

For example, a user can desire that when at location #1 (home), the MNC receives incoming calls directed at virtual #1 (“home” phone number). When an incoming telephone call is transmitted to the system server, the forwarding application determines if the user is at location #1 (home), and if they are, then the application forwards the call to the MNC user at step 240. In the alternative, if the user is not at the location #1 (home), then it is not a desired call for the user, and the call is therefore forwarded to a voicemail database at procedure step 250. *Id.* ¶ 39.

3. *Saksena (Ex. 1008)*

Saksena, titled “Common Telephony Services to Multiple Devices Associated with Multiple Networks,” published April 13, 2006, from application US 10/961,387, filed October 8, 2004. Ex. 1008, codes (54), (43), (21), (22). Saksena “relates to common telephony services to multiple devices associated with multiple networks.” *Id.* ¶ 1. One disclosed method includes

assigning an identical unique identifier to a first telephony device and a second telephony device associated with a first network and second network, respectively and receiving, via a packet-based network, a call set-up request associated with the unique identifier. The method includes routing, via the packet-based network, a call to or from the first device, the second device, or the first and second devices, based on a routing preference.

Id. ¶ 57.

4. *Taylor (Ex. 1007)*

Taylor, titled “System and Method for Dynamic Telephony Resource Allocation Between Premise and Hosted Facilities,” published February 26, 2009, from application US 12/195,298, filed August 20, 2008. Ex. 1007, codes (54), (43), (21), (22). The application claims priority to provisional application US 60/957,151, filed August 12, 2007. *Id.* at code (60).

Taylor “relates to telecommunication and a networked computer telephony system including the Internet and the Public Switched Telephone System, and more particularly to user-configurable allocation of telephony resources between a hosted facility and a subscriber’s premise.” Ex. 1007 ¶ 2. Relevant to this proceeding, Taylor discloses PSTN Interface 52, which allows Taylor’s Computer Telephony server 50 to interface with a public switched telephone network through switch 12. *Id.* ¶ 8.

II. ANALYSIS OF PETITIONER’S CHALLENGES

A. *Applicable Law*

Petitioner’s asserted grounds of unpatentability are based on obviousness under 35 U.S.C. § 103.

A patent for a claimed invention may not be obtained, notwithstanding that the claimed invention is not identically disclosed as set forth in section 102, if the differences between

the claimed invention and the prior art are such that the claimed invention as a whole would have been obvious before the effective filing date of the claimed invention to a person having ordinary skill in the art to which the claimed invention pertains. Patentability shall not be negated by the manner in which the invention was made.

35 U.S.C. § 103 (2011); *see KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations, including: (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of ordinary skill in the art; and (4) when available, objective evidence, such as commercial success, long felt but unsolved needs, and failure of others. *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966); *see KSR Int’l Co.*, 550 U.S. at 407 (“While the sequence of these questions might be reordered in any particular case, the [Graham] factors continue to define the inquiry that controls.”). The Court in *Graham* explained that these factual inquiries promote “uniformity and definiteness,” for “[w]hat is obvious is not a question upon which there is likely to be uniformity of thought in every given factual context.” 383 U.S. at 18.

The Supreme Court made clear that we apply “an expansive and flexible approach” to the question of obviousness. *KSR Int’l Co.*, 550 U.S. at 415. Whether a patent claiming the combination of prior art elements would have been obvious is determined by whether the improvement is more than the predictable use of prior art elements according to their established functions. *Id.* at 417. To support this conclusion, however, it is not enough to show merely that the prior art includes separate references covering each separate limitation in a challenged claim. *Unigene Labs., Inc. v. Apotex, Inc.*, 655 F.3d 1352, 1360 (Fed. Cir. 2011). Rather, obviousness

additionally requires that a person of ordinary skill at the time of the invention “would have selected and combined those prior art elements in the normal course of research and development to yield the claimed invention.” *Id.*

“[O]bviousness must be determined in light of *all the facts*, and . . . a given course of action often has simultaneous advantages and disadvantages, and this does not necessarily obviate motivation to combine” teachings from multiple references. *Medichem, S.A. v. Rolabo, S.L.*, 437 F.3d 1157, 1165 (Fed. Cir. 2006) (emphasis added); *see also PAR Pharm., Inc. v. TWI Pharms., Inc.*, 773 F.3d 1186, 1196 (Fed. Cir. 2014) (“The presence or absence of a motivation to combine references in an obviousness determination is a pure question of fact.”). As a factfinder, we also must be aware “of the distortion caused by hindsight bias and must be cautious of arguments reliant upon *ex post* reasoning.” *KSR Int’l Co.*, 550 U.S. at 421.

For institution, “[t]he ‘reasonable likelihood’ standard is a somewhat flexible standard that allows the Board room to exercise judgment.” Patent Trial and Appeal Board Consolidated Trial Practice Guide 53 (Nov. 2019), *available at* <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

B. Level of Ordinary Skill in the Art

The level of skill in the art is “a prism or lens” through which we view the prior art and the claimed invention. *Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001). Petitioner contends that

A person of ordinary skill in the art at the time of the alleged invention of the ’770 patent . . . would have had an undergraduate degree in electrical engineering, computer engineering, computer science or a related field along with two years of work experience in the field of communication. . . .

More education can supplement practical experience and vice versa.

Pet. 4 (referencing Ex. 1002 ¶¶ 17–18). Patent Owner does not dispute the level of ordinary skill in the art at this stage of the proceeding. Prelim. Resp. 5.

For the purposes of this Decision, we apply Petitioner’s definition of the level of ordinary skill in the art. We determine that this definition is consistent with the prior art of record and the skill reflected in the Specification of the ’770 patent, based on our review of the limited record.

C. Claim Construction

In *inter partes* reviews, we interpret a claim “using the same claim construction standard that would be used to construe the claim in a civil action under 35 U.S.C. 282(b).” 37 C.F.R. § 42.100(b). Under this standard, we construe the claim “in accordance with 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.” *Id.*

Petitioner states that “the Board need not construe any terms of the challenged claims to resolve the underlying controversy.” Pet. 7. Patent Owner also does not propose any constructions. Prelim. Resp. 5.

We determine that we need not expressly construe any claim terms to resolve the parties’ disputes on the current record. *See Realtime Data, LLC v. Iancu*, 912 F.3d 1368, 1375 (Fed. Cir. 2019) (“The Board is required to construe ‘only those terms that . . . are in controversy, and only to the extent necessary to resolve the controversy.’”)(quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999)). To the extent

that the scope of any particular claim term requires discussion, however, we provide it in our assessment of the challenges, which we turn to next.

D. Ground 1: Claims 1–5 as obvious over Backhaus and Logan

Petitioner contends that the combination of Backhaus and Logan teaches or suggests each limitation of claims 1–5. Pet. 8–60. Patent Owner disputes Petitioner’s contentions. Prelim. Resp. 5–13.

1. Independent claim 1

We turn our analysis first to the scope and content of the prior art and any differences between the prior art and the subject matter of independent claim 1, on a limitation-by-limitation basis.

a) Preamble

The preamble of claim 1 recites “[a] method of providing telephone service.” Ex. 1001, 9:65–66. Petitioner contends that, “[t]o the extent that the preamble of claim 1 is limiting, Backhaus discloses” the subject matter. Pet. 8 (referencing Ex. 1002 ¶¶ 54–62). Specifically, Petitioner contends that Backhaus discloses a second line service to a subscriber with a telecommunications device. *Id.*; *see also id.* at 9 (providing an annotated version of Backhaus’s Figure 1, which is an exemplary telephone service system); *id.* at 8–13 (describing the structure and operation of Backhaus’s system, and referencing Ex. 1005 ¶¶ 3–11, 31–36, 52–57, 59–139; Ex. 1002 ¶¶ 55–62).

Upon review of the information in the Petition and corresponding evidence, we determine Petitioner has sufficiently demonstrated, at this stage of the proceeding, that Backhaus teaches the subject matter of the preamble. In view of this determination, we need not resolve, at this stage of the proceeding, whether the preamble is limiting.

Patent Owner does not dispute Petitioner's contentions with respect to the preamble at this stage of the proceeding.

b) Limitation 1.a.

Claim 1 recites “associating a secondary telephone number with a primary telephone number in at least one computer memory device, the primary telephone number being assigned to a handset.” Ex. 1001, 10:1–4 (limitation 1.a of claim 1). Petitioner contends that Backhaus's TD 110 corresponds to the recited handset, and that a primary number is assigned to the handset. Pet. 13 (referencing Ex. 1005 ¶¶ 31, 33, 50, 81–83; Ex. 1002 ¶ 63).

Petitioner contends that Backhaus discloses that a handset's primary number is associated with a secondary telephone number—an SLS number. Pet. 13. Petitioner contends that Backhaus discloses associating the primary and SLS numbers and storing the association in Master ID Table 305. *Id.* at 13–14 (referencing Ex. 1005 ¶¶ 66, 50, 60, Fig. 3A; Ex. 1002 ¶¶ 64); *see, e.g., id.* at 15 (providing an annotated version of Backhaus's Figure 3A, depicting the Second Line Service Master ID Table 305 in Central SLS Database 116, which shows the association between a subscriber's primary number and secondary number). Petitioner contends that SLS database 116, a part of SLS platform 115, corresponds to the recited computer memory device. Pet. 15–16 (referencing Ex. 1005 ¶¶ 39–40, 42–43; Ex. 1002 ¶¶ 65–66).

Upon review of the information in the Petition and corresponding evidence, we determine Petitioner has sufficiently demonstrated, at this stage of the proceeding, that Backhaus teaches the subject matter of limitation 1.a of claim 1.

Patent Owner does not dispute Petitioner's contentions with respect to this limitation at this stage of the proceeding.

c) Limitation 1.b

Claim 1 also recites “acquiring first digital information from the handset over at least one data channel, the first digital information indicating primary call processing rules for handling calls directed to the primary telephone number.” Ex. 1001, 10:5–8 (limitation 1.b of claim 1). Petitioner contends that the combination of Backhaus and Logan teaches or suggests the subject matter of limitation 1.b. Pet. 16 (referencing Ex. 1002 ¶¶ 67–79).

Petitioner contends that, when a subscriber elects to not answer an incoming call to its SLS number, the call is transferred to voicemail. Pet. 16 (referencing Ex. 1005 ¶¶ 35, 68). Petitioner contends that, given this disclosure, “Backhaus at least suggests features associated with voicemail/message services and automated responses are also available for calls directed to subscriber's primary number on subscriber TD 110.” *Id.* (referencing Ex. 1002 ¶ 67). Petitioner contends that these services correspond to the recited “primary call processing rules.” *Id.* at 16–17.

Alternatively, Petitioner contends that a person having ordinary skill in the art “would have found [the subject matter of limitation 1.b] obvious in view of Logan.” Pet. 17 (referencing Ex. 1002 ¶ 69). Petitioner contends that Logan teaches that a user can enter a set of preferences into the user's MNC and transmit those preferences to the system server, using datastream 134. *Id.* at 19 (referencing Ex. 1015 PP 5, 11, 25, 46, 55; Ex. 1002 ¶ 71). Petitioner explains that an exemplary preference includes routing calls to a specific phone number (for example, one associated with a home location or office location) only when the phone is at a specific

location (such as the user's home or office) or at specific times. And, if the phone is not at one of the locations or the time is not within the set time, the call is routed to voicemail. *Id.* at 19–20 (referencing Ex. 1015 ¶¶ 11, 27–28, 39, 43; Ex. 1002 ¶ 72).

Petitioner contends that a person having ordinary skill in the art would have been motivated to implement Logan's server-based call processing rules into Backhaus's system. Pet. 20–21. Petitioner reasons that

there would be common situations where subscriber TD 110 is not able to provide voicemail/preset responses to the unanswered call, e.g., when it is turned off or out of battery. Thus, it would have been beneficial to implement voicemail/preset response capabilities in a server that is associated with subscriber TD 110, i.e., SLS server 205 in SLS platform 115, as it would have allowed the server to provide voicemail/preset responses to unanswered calls even when subscriber TD 110 is unable to provide the same.

Id. at 21 (referencing Ex. 1002 ¶ 74). Petitioner adds that a person having ordinary skill in the art “would have likewise been motivated to acquire the voicemail/preset responses and associated user-specified configurations from TD 110, and store the same in a database accessible to SLS server 205 (e.g., central SLS database 116) for responding to incoming calls when subscriber TD 110 is not available.” *Id.* at 21 (referencing Ex. 1002 ¶ 74).

Petitioner also contends that a person having ordinary skill in the art would have found it beneficial to provide these preferences for each of the numbers associated with a handset, as disclosed in Logan, to “allow[] the subscriber in Backhaus to better manage incoming calls to each of the primary and SLS numbers by automatically processing these calls based on subscriber-specified preferences set for each number (e.g., location-based

and/or time-based call processing/forwarding features).” Pet. 21–22 (referencing Ex. 1015 ¶ 24; Ex. 1002 ¶ 75).

Petitioner contends that a person having ordinary skill in the art would have had a reasonable expectation of success in making the proposed modification to Backhaus’s system, as it was well known to implement voicemail and preset responses, and call forwarding on a server of a telecommunications system. Pet. 22–23 (referencing Ex. 1005 ¶¶ 31, 38, 50, 71; 1008 ¶¶ 158–159, 164; Ex. 1015 ¶¶ 25–37; Ex. 1002 ¶ 76). Also, Petitioner contends that it was known to have a subscriber provide information to configure these features. *Id.* at 23–24 (referencing Ex. 1008 ¶¶ 96, 154, 159, 160, 164; Ex. 1002 ¶ 77). Petitioner adds that Backhaus discloses transmitting information from a handset to the server over a data channel. *Id.* at 25 (referencing Ex. 1005 ¶¶ 29, 32, 71–73; Ex. 1002 ¶ 77).

Upon review of the information in the Petition and corresponding evidence, we determine Petitioner has sufficiently demonstrated, at this stage of the proceeding, that the combination of Backhaus and Logan teaches the subject matter of limitation 1.b of claim 1. Also, on the current record, we determine that Petitioner provides reasons, with rational underpinnings, why a person having ordinary skill in the art would have been motivated to combine the teachings of Backhaus and Logan. *Cf. KSR Int’l Co.*, 550 U.S. at 418 (stating that, to facilitate the analysis of an obviousness position, the proponent should provide “some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness”).

Patent Owner does not dispute Petitioner’s contentions with respect to this limitation at this stage of the proceeding.

d) Limitation 1.c

Claim 1 also recites “storing the primary call processing rules in the at least one computer memory device.” Ex. 1001, 10:9–10 (limitation 1.c of claim 1). Petitioner contends that Logan teaches “that the user-entered ‘preferences notify the system server of which calls a user desires to receive,’” and “that the server ‘determines if the preferences set up by the called party indicate whether the call should be forwarded to the user.’” Pet. 25 (referencing Ex. 1015 ¶¶ 28–29). Petitioner contends that a person having ordinary skill in the art would have understood that Logan stores the processing rules in memory or in a database, at least temporarily, to provide these operations. *Id.* at 25–26 (referencing Ex. 1002 ¶ 80); *see also id.* at 26–27 (discussing reasons to combine the teachings of Backhaus and Logan, consistent with the reasoning for limitation 1.b).

Upon review of the information in the Petition and corresponding evidence, and based on our analysis of Petitioner’s reasons to combine the teachings of Backhaus and Logan, as discussed above in connection with our analysis of limitation 1.b, we determine Petitioner has sufficiently demonstrated, at this stage of the proceeding, that the combination of Backhaus and Logan teaches the subject matter of limitation 1.c of claim 1.

Patent Owner does not dispute Petitioner’s contentions with respect to this limitation at this stage of the proceeding.

e) Limitation 1.d

Claim 1 also recites “acquiring second digital information from the handset over the at least one data channel, the second digital information indicating secondary call processing rules for handling calls directed to the secondary telephone number.” Ex. 1001, 10:11–16 (limitation 1.d of

claim 1). Petitioner contends that Backhaus teaches the recited secondary call processing rules. Pet. 27. Petitioner contends that Backhaus discloses that Backhaus teaches that TD 110 uses a voicemail or messaging service or provides automated responses. *Id.* (referencing Ex. 1005 ¶¶ 35, 68; Ex. 1002 ¶ 82; and cross referencing the Petition’s analysis for limitation 1.b).

Alternatively, Petitioner contends that Logan teaches the subject matter of limitation 1.d. Pet. 27–28. Petitioner contends that Logan discloses call processing rules such as voicemail and preset responses and call forwarding. *Id.* at 28 (referencing contentions in the Petition for limitation 1.b). Petitioner contends that a person having ordinary skill in the art would have been motivated to implement Logan’s teachings of sending rules over a digital channel from the MNC to a server into Backhaus’s system for the same reasons asserted for limitation 1.b. *Id.* at 28–29. Specifically, Petitioner contends that the same reasoning for combining the teachings of Backhaus and Logan apply to rules associated with the primary number (limitation 1.b) and a secondary number, such as Backhaus’s SLS number (limitation 1.d). *See id.*

Upon review of the information in the Petition and corresponding evidence, and considering our analysis of limitation 1.b above, we determine Petitioner has sufficiently demonstrated, at this stage of the proceeding, that the combination of Backhaus and Logan teaches the subject matter of limitation 1.d of claim 1.

Patent Owner does not dispute Petitioner’s contentions with respect to this limitation at this stage of the proceeding.

f) Limitation 1.e

Claim 1 also recites “storing the secondary call processing rules in the at least one computer memory device.” Ex. 1001, 10:17–18 (limitation 1.e of claim 1). Similar to the contentions for limitation 1.c, Petitioner contends that the combined teaching of Backhaus and Logan teaches or suggests storing the secondary call processing rules in memory or a database, as the system server uses the rules to process calls. Pet. 29–30 (referencing the contentions in the Petition for limitations 1.c and 1.d; Ex. 1002 ¶ 85).

Upon review of the information in the Petition and corresponding evidence, and considering our analysis of limitation 1.c and 1.d above, we determine Petitioner has sufficiently demonstrated, at this stage of the proceeding, that Backhaus discloses the subject matter of limitation 1.e of claim 1.

Patent Owner does not dispute Petitioner’s contentions with respect to this limitation at this stage of the proceeding.

g) Limitation 1.f

Claim 1 recites

receiving an incoming call over at least one voice channel at a switch, the switch being associated with a bridge telephone number such that calls directed to the bridge telephone number are automatically routed to the switch, the incoming call being directed to a handset-associated telephone number, the handset-associated telephone number being the primary telephone number or the secondary telephone number.

Ex. 1001, 10:19–26 (limitation 1.f of claim 1). Petitioner contends that calls directed to a subscriber’s primary or SLS numbers are routed through communications network 125. Pet. 30 (referencing Ex. 1005 ¶ 32, Fig. 1). Petitioner contends that Backhaus discloses that network 125 may be a

public switched telephone network, using signaling system seven (“SS7”) protocol. *Id.* at 30–31 (referencing Ex. 1005 ¶ 32; Ex. 1011, 5–6, 43, 103–105; Ex. 1002 ¶ 86).

Petitioner contends that a person having ordinary skill in the art “would have understood that network 125 necessarily includes the claimed ‘switch,’ such as the signal switching points.” Pet. 31 (referencing Ex. 1002 ¶ 87). For example, Petitioner contends that a public switched telephone network would include signal switching points as a “necessary part” of the network. *Id.* (referencing Ex. 1002 ¶ 72; Ex. 1011, 62–63, 81; Ex. 1007 ¶ 4). Petitioner contends that a public switched telephone network would include “‘a voice switch’ that ‘processes voice-band traffic.’” *Id.* (referencing Ex. 1011, 62–63, 81; Ex. 1002 ¶ 87).

Petitioner contends that a person having ordinary skill in the art “would have also understood that calls are established and routed through the [public switched telephone network] by SSPs in network 125, including the use of a local SSP[,]” where “[a] local SSP is a switch that connects to a telecommunication device or server so as to allow the device/server to access the” public switched telephone network. Pet. 32 (referencing Ex. 1011, 6–7, 82; Ex. 1007 ¶ 4, Fig. 1A; Ex. 1002 ¶ 88); *see also id.* at 33 (providing an annotated version of Ex. 1007, Fig. 1A, showing a local switch 12 connected to server 50 in a public switched telephone network).

Petitioner contends that Backhaus’s relationship number corresponds to the recited bridge telephone number, explaining how calls directed to Backhaus’s relationship number are automatically routed to the switch. Pet. 33–35 (referencing Ex. 1005 ¶¶ 32–34, 43, 49, 57, 59, 60–61; Ex. 1002 ¶ 89).

Petitioner contends that Backhaus teaches that calls from a third party to a subscriber's SLS number are routed by network 125 through the local switch to SLS platform 115, then TD 110, the user's handset. Pet. 35 (referencing Ex. 1005 ¶¶ 32, 34–35). Petitioner contends that, as such, the recited switch necessarily receives the incoming call. *Id.* at 35–36 (referencing Ex. 1002 ¶ 90). Petitioner contends, consistent with disclosure in the '770 patent, a public switched telephone network carries calls over a voice channel. *Id.* at 36.

Upon review of the information in the Petition and corresponding evidence, we determine Petitioner has sufficiently demonstrated, at this stage of the proceeding, that Backhaus teaches the subject matter of limitation 1.f of claim 1.

Patent Owner does not dispute Petitioner's contentions with respect to this limitation at this stage of the proceeding.

h) Limitation 1.g

Finally, claim 1 recites

based on the primary call processing rules or the secondary call processing rules: transmitting pre-call information to the handset over the at least one data channel the pre-call information including the bridge telephone number and the handset-associated telephone number, such that the handset is capable of displaying the handset-associated telephone number to a user and, based on user input, accepting the incoming call by connecting with the switch over the at least one voice channel using the bridge telephone number.

Ex. 1001, 10:27–37 (limitation 1.g of claim 1). Petitioner contends that Backhaus teaches “transmitting pre-call information to the handset over the at least one data channel the pre-call information including the bridge telephone number and the handset-associated telephone number, such that

the handset is capable of displaying the handset-associated telephone number to a user” in two different ways. Pet. 37–43 (discussing the “first way”), 43–45 (discussing the “second way”). We focus on the second way⁶.

Petitioner contends that Backhaus teaches “processes for handling data communication between subscriber TD 110 and SLS platform 115 over network 125.” Pet. 43 (referencing Ex. 1005 ¶¶ 71–74, Fig. 4D). Petitioner explains that, for a situation where the subscriber wishes to call a third party that does not have a relationship number established in the system, SLS module 105 on subscriber TD 110 requests a new relationship number from SLS platform 115. *Id.* at 43–44 (referencing Ex. 1005 ¶ 71). In response, SLS platform 115 assigns a relationship number and returns that number to TD 110. *Id.* at 44 (referencing Ex. 1005 ¶ 74).

Petitioner contends that a person having ordinary skill in the art “would have understood that the transmitted information (which includes a relationship number) described above corresponds to the claimed ‘pre-call information’ because it is transmitted before a call is connected between a third party and the subscriber,” for example, “before a call is connected when the third party calls the subscriber as described in the context of [Backhaus’s] Figure 4B.” Pet. 44 (referencing Ex. 1005 ¶¶ 67–68, 71, 74; Ex. 1002 ¶ 100).

Petitioner also contends that Backhaus discloses that communications between SLS platform 115 and TD 110 may be through protocols or mechanisms that include data channels. Pet. 44–45 (referencing Ex. 1005 ¶¶ 71–73; Ex. 1002 ¶ 101).

⁶ Although we address the “second way” here only, the parties may address both ways at trial.

Petitioner contends that

to the extent that the disclosed “pre-call information” does not include “the handset-associated telephone number,” which may be “the primary telephone number or the secondary telephone number,” a [person having ordinary skill in the art] would have found it obvious to include this information for reasons similar to as described above (e.g., such information would have enabled subscriber TD 110 to display whether it is the primary or an SLS number that the calling party intends to call, allowing the subscriber to determine whether the call is for a personal or business matter, for example, particularly when the subscriber has multiple SLS numbers).

Id. at (referencing Ex. 1002 ¶ 102).

Petitioner contends that Backhaus teaches “that, when a known third party calls subscriber’s SLS number, SLS platform 115 ‘queries the central SLS database 116 for the relationship number that maps to the combination of the third party CLID and subscriber’s SLS number’ and ‘the subscriber’s primary number.’” Pet. 45–46 (referencing Ex. 1005 ¶ 67). Petitioner adds that “SLS platform 115 then calls subscriber’s TD 110 using the relationship number for connecting the call.” *Id.* at 46 (referencing Ex. 1005 ¶¶ 52–55, 67).

Additionally, Petitioner contends that Backhaus teaches the subject matter “‘based on user input, accepting the incoming call by connecting with the switch over the at least one voice channel’ using the relationship number.” Petitioner contends that Backhaus teaches that a subscriber is alerted to an incoming call, but may elect not to answer it, that is, answering the call is the user input. Pet. 49 (referencing Ex. 1005 ¶ 68).

Next, Petitioner contends that the combined teaching of Backhaus and Logan teaches or suggests

the process of “transmitting pre-call information to the handset over the at least one data channel the pre-call information including the bridge telephone number and the handset-associated telephone number, such that the handset is capable of displaying the handset-associated telephone number to a user and, based on user input, accepting the incoming call by connecting with the switch over the at least one voice channel using the bridge telephone number” is “based on the primary call processing rules or the secondary call processing rules.”

Pet. 47. Petitioner directs us to the analysis in the Petition for limitations 1.b through 1.d for Logan’s teachings of call processing rules and how and why they would be implemented in Backhaus’s system. *Id.* at 47–49.

Patent Owner argues that limitation 1.g requires pre-call information transmitted over a data channel. Prelim. Resp. 6. In addressing the “second way” Petitioner contends this subject matter is satisfied, Patent Owner argues that the SLS platform returning a relationship number to TD 110 when the user makes an outgoing call is not relevant to the claimed subject matter, which relates to an incoming call. *Id.* at 9–10. Patent Owner argues that “there must be an incoming call at the switch[, and i]n the Petition’s second theory, there is no such call; instead, the user is placing an outgoing call.” *Id.* at 10.

Patent Owner adds that Backhaus does not disclose that the relationship number is returned over a data channel. Prelim. Resp. 10. Patent Owner argues that “the mere fact that Backhaus describes that unspecified communications can occur via various channels is not enough[, as t]hese disclosures are never tied to the particular communication at issue.” *Id.*

Patent Owner also argues that Dr. Lin’s testimony is entitled to very little weight, as “it merely repeats, verbatim, the conclusory assertion for

which it is offered to support.” Prelim. Resp. 10–11 (citing *Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 9 (PTAB Aug. 24, 2022) (precedential) (“*Xerox*”)).

We have considered Patent Owner’s arguments and determine, on the current record, that Petitioner has made a sufficient showing for institution that Backhaus teaches or suggests pre-call information. Patent Owner’s arguments appear to impose a temporal requirement for the “transmitting” language of limitation 1.g—that it occurs after receiving an incoming call. On the current record, we do not read the claim that narrowly. The relationship number is sent to TD 110 before a call from the third party associated with the relationship number (that is, “pre-call”), such that, the handset is capable of displaying the handset-associated telephone number to a user and, based on user input, accepting an incoming call from that third party.

As for transmitting the relationship number using a data channel, Backhaus expressly discloses that “SLS module 105 may communicate with an SLS platform 115 to designate and acquire a relationship number to a third party who has not been called by the subscriber before via the SLS service” using “an unstructured supplementary services data (‘USSD’) protocol.” Ex. 1005 ¶ 72; *see also* Pet. 45 (referencing Ex. 1005 ¶¶ 71–73). Backhaus explains that, alternatively, other data channel communications, such as short message service (“SMS) protocol, multimedia messaging service (“MMS) protocol, IP-based interaction, WiFi, Bluetooth technologies, and proprietary wireless or wired technologies, may be used. Ex. 1005 ¶ 73; *see also* Pet. 45 (referencing Ex. 1005 ¶¶ 71–73), 44 (identifying IP-based communication).

Next, Patent Owner argues that the language “based on user input, accepting the incoming call by connecting with the switch over the at least one voice channel using the bridge telephone” requires the handset to call the bridge telephone number to connect an incoming call. Prelim. Resp. 11. Patent Owner argues that Backhaus discloses the opposite, that the server calls the handset when a third party calls the system to connect the call. *Id.* at 12 (referencing Ex. 1005 ¶ 54).

We have considered Patent Owner’s argument and determine, on the current record, that Petitioner has made a sufficient showing for institution that Backhaus teaches or suggests accepting the incoming call by connecting with the switch over the at least one voice channel using the bridge telephone, based on user input. As Petitioner explains, SLS platform 115 connects a call to subscriber TD 110 from a third party when the subscriber answers the call (the recited user input). Pet. 46. Petitioner explains that SLS platform 115 uses the relationship number (the recited bridge telephone number) to connect the call. *Id.* (referencing Ex. 1005 ¶ 67). Paragraph 67 from Backhaus teaches that when a third party calls, SLS platform 115 determines the *relationship number* that maps to the combination of the third party CLID and subscriber’s SLS number. Ex. 1005 ¶ 67. Then, the subscriber’s primary number is called by the SLS platform 115. *Id.* The *relationship number* in the calling party field of the call signaling causes the SLS module 105 to handle the call and display the associated third party CLID for the benefit of the subscriber, who then decides whether to accept the call. *Id.* In this way, Petitioner contends, the call is connected through the voice channel and switch by using the relationship number in the call connection process. We have not been directed, at this stage of the

proceeding, to evidence or arguments that supports Patent Owner’s more narrow construction of the term “using” that requires the handset to place a call to the bridge telephone number.

Upon review of the information in the Petition and corresponding evidence, including Patent Owner’s counter arguments, we determine Petitioner has sufficiently demonstrated, at this stage of the proceeding, that the combination of Backhaus and Logan teaches the subject matter of limitation 1.g of claim 1.

i) Conclusion

For the reasons discussed above, we determine, on the current record, that the information presented in the Petition sufficiently demonstrates that claim 1 is unpatentable under 35 U.S.C. § 103 over Backhaus and Logan.

2. Dependent claims 2–5

Petitioner also contends that dependent claims 2–5, which depend from claim 1, are obvious over Backhaus and Logan. Pet. 3, 49–60. As we discuss above, Petitioner has sufficiently demonstrated that the information presented in the Petition renders obvious claim 1, and we institute on all challenges raised in the Petition. *See SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1354, 1359–60 (2018); *see also PGS Geophysical AS v. Iancu*, 891 F.3d 1354, 1360 (Fed. Cir. 2018) (interpreting the statute to require “a simple yes-or-no institution choice respecting a petition, embracing all challenges included in the petition”); 37 C.F.R. § 42.108(a) (“When instituting *inter partes* review, the Board will authorize the review to proceed on all of the challenged claims and on all grounds of unpatentability asserted for each claim.”).

Still, we have reviewed Petitioner's contentions and citations to the evidence and determine that Petitioner has sufficiently demonstrated, at this stage of the proceeding, that the combined teaching of Backhaus and Logan renders obvious dependent claims 2–5 under 35 U.S.C. § 103. Patent Owner does not provide any arguments with respect to claims 2–5, other than those made for independent claim 1. *See* Prelim. Resp. 13.

E. Ground 2: Claim 6 as unpatentable over Backhaus, Logan, and Saksena

Petitioner contends that the combined teaching of Backhaus, Logan, and Saksena renders obvious the subject matter of claim 6. Pet. 3, 60–64. We have reviewed Petitioner's contentions and citations to the evidence and determine that Petitioner has sufficiently demonstrated that dependent claim 6 is unpatentable under 35 U.S.C. § 103 over Backhaus, Logan, and Saksena. As part of this review, we determine, on the current record, that Petitioner has sufficiently demonstrated that a person having ordinary skill in the art would have had reason to combine the teachings of Backhaus, Logan, and Saksena to arrive at the subject matter of claim 6, with a reasonable expectation of success. *See* Pet. 60–64.

Patent Owner does not provide any arguments with respect to Ground 2, other than those made for independent claim 1 under Ground 1. *See* Prelim. Resp. 13.

F. Grounds 3 and 4: Claims 1–5 as unpatentable over Backhaus, Logan, and Taylor (Ground 3), and claim 6 as unpatentable over Backhaus, Logan, Saksena, and Taylor (Ground 4)

Petitioner contends that the combined teaching of Backhaus, Logan, and Taylor renders obvious the subject matter of claims 1–5. Pet. 3, 64–70. We have reviewed Petitioner's contentions and citations to the evidence and

determine that Petitioner has sufficiently demonstrated that claims 1–5 are unpatentable under 35 U.S.C. § 103 over Backhaus, Logan, and Taylor. As part of this review, we determine, on the current record, that Petitioner sufficiently demonstrates that Taylor discloses the claimed switch of claim 1, and that Petitioner has sufficiently demonstrated that a person having ordinary skill in the art would have had reason to combine the teachings of Backhaus, Logan, and Taylor to arrive at the subject matter of claims 1–5, with a reasonable expectation of success. *See* Pet. 64–70.

Similarly, we have reviewed Petitioner’s contentions and citations to the evidence and determine that Petitioner sufficiently demonstrates that dependent claim 6 is unpatentable under 35 U.S.C. § 103 over Backhaus, Logan, Saksena, and Taylor. *See* Pet. 64–70.

Patent Owner does not provide any arguments with respect to Grounds 3 and 4, other than those made for independent claim 1 under Ground 1. *See* Prelim. Resp. 13.

G. Discretion under 35 U.S.C. § 314(a) - Fintiv

Patent Owner argues that we should exercise our discretion under 35 U.S.C. § 314(a) to deny the Petition. Prelim. Resp. 19–24; Sur-reply 1–3. Section 314(a) states that

The Director 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.

Under § 314(a), we have discretion to deny institution of an *inter partes* review. *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016).

We consider several factors when determining whether to deny institution under § 314(a) based on a parallel district court proceeding, specifically

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.

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 5–6 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”). We also consider “several clarifications” made by the Director of the United States Patent and Trademark Office (“USPTO”). See USPTO Memorandum, Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation, 2 (June 21, 2022), *available at* https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf (“Director’s Memo”).

1. Factor 1 – Whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted

Under the first *Fintiv* factor, we consider “whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted.” *Id.* at 6. Petitioner argues that the District Court “previously granted motions to stay pending instituted IPRs,” so the first factor “weighs against

denial” or “is at least neutral.” Prelim. Reply 1. Patent Owner argues that the District Court denied Petitioner’s “motion for stay relating to [its] mandamus petition,” so the first factor “is neutral.” Prelim. Resp. 14.

Neither party identifies any statements by the District Court or other evidence that specifically address a stay of the District Court Litigation pending this proceeding. *See* Pet. 56; Prelim. Resp. 14; Prelim. Reply 1; Sur-reply 1. We decline to speculate based on the record in this case whether the District Court would grant a stay of the District Court Litigation. *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12 (PTAB May 13, 2020) (informative) (“*Fintiv II*”). As a result, we determine that the first *Fintiv* factor is neutral.

2. *Factor 2 – Proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision*

Under the second *Fintiv* factor, we consider the “proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision.” *Fintiv*, Paper 11 at 6. Petitioner argues that the District Court’s trial date of February 19, 2024 “cannot be reliably used” because “[t]rial has already been postponed several times.” Prelim. Reply 1. Petitioner also argues that the District Court’s “median time from filing to trial . . . is more than 28 months,” so “trial will likely be in May/June 2024.” Pet. 53. Petitioner concludes that the second factor “weighs against denial or is at least neutral.” Reply 1. Patent Owner argues that the second factor favors denial because the District Court’s trial date of February 19, 2024, is “around six months before the expected final written decision date of August 8, 2024.” Prelim. Resp. 14. Patent Owner also argues that Petitioner relies on “time-to-trial statistics for the entire Western District of Texas,” but

more specific statistics for the presiding judge show that “trial is likely to occur faster” in “December 2023 or January 2024.” *Id.* at 15.

The current trial date in the District Court Litigation is February 19, 2024. Ex. 2003, 3. The projected statutory deadline for a final written decision in this case is in July 2024. However, Petitioner presents statistics indicating that the median time to trial in the Western District of Texas is 28 months (Ex. 1014, 37), and Patent Owner presents statistics indicating that the median time to trial for the presiding judge is 23 months (Ex. 2004, 1). *See* Director’s Memo at 8–9. On this record, we find Petitioner’s statistics more indicative of the likely time to trial because Petitioner’s statistics represent the median time to trial for civil cases during the recent 12-month period ending on June 30, 2022. Ex. 1014, 37 (“12-Month Periods Ending . . . Jun 30 2022 . . . Civil Only”). Although Patent Owner’s statistics are specific to the presiding judge, Patent Owner does not assert that its statistics are limited to civil cases or to a recent time period. *See* Prelim. Resp. 20–21; Ex. 2004, 1 (“pending between 2009-01-01 and 2023-05-03 . . . Trial . . . 46 cases”). Based on Petitioner’s statistics, the trial in the District Court Litigation is likely to occur in May 2024, which is a couple of months before the projected statutory deadline for a final written decision in this case. As a result, we determine that the second *Fintiv* factor slightly favors discretionary denial of institution.

3. *Factor 3 – Investment in the parallel proceeding by the court and the parties*

Under the third *Fintiv* factor, we consider the “investment in the parallel proceeding by the court and the parties.” *Fintiv*, Paper 11 at 6. Petitioner argues that “fact discovery and expert discovery do not close until

after the institution deadline,” so the third factor “favors institution or is at least neutral.” Prelim. Reply 2. Patent Owner argues that the third factor “strongly weighs in favor of denying the Petition” because 1) the District Court “has performed claim construction, decided a motion to transfer, and decided a motion to stay”; 2) the parties “have engaged in substantial discovery, including production and review of source code, depositions, service of final contentions, written discovery, and document production”; and 3) fact discovery closes on August 22, 2023, and expert discovery closes in October 2023. Prelim. Resp. 16.

The evidence of record indicates that the District Court and the parties have invested only some resources in the District Court Litigation as to issues of unpatentability involving the ’770 patent. The District Court issued a claim construction order that addresses two terms in the ’770 patent, but the District Court stated only that those terms have their “[p]lain and ordinary meaning.” Ex. 1016, 2. And the evidence of record indicates that fact discovery is ongoing, expert discovery has not begun, and the deadline for dispositive motions is not until October 2023. Ex. 2003, 1–2. Thus, we determine that the third *Fintiv* factor weighs slightly against discretionary denial of institution.

4. *Factor 4 – Overlap between issues raised in the petition and in the parallel proceeding*

Under the fourth *Fintiv* factor, we consider the “overlap between issues raised in the petition and in the parallel proceeding.” *Fintiv*, Paper 11 at 6. Petitioner states that “if the IPR is instituted, Petitioner will not pursue the IPR grounds in the [D]istrict [C]ourt [L]itigation.” Pet. 53. Thus, according to Petitioner, the fourth factor “weighs against denial.” *Id.* Patent

Owner argues that Petitioner’s “narrow[] stipulation only mitigates concerns about overlap ‘to some degree’ and thus, at best, only ‘weighs marginally in favor of not exercising discretion to deny institution.’” Prelim. Resp. 17.

The Petition challenges claims 1–4, and relies on Backhaus, Logan, Saksena, and Taylor. Pet. 3–4. Neither party explains which claims and references are at issue in the District Court Litigation. *See* Pet. 53; Prelim. Resp. 17; Reply 2–3; Sur-reply 2. Thus, on this record, we cannot determine whether there is overlap between issues raised in the Petition and District Court Litigation. Nonetheless, Petitioner’s stipulation that it will not pursue the grounds asserted in the Petition in the District Court Litigation mitigates to some degree concerns of duplicative efforts and potentially conflicting decisions. Pet. 53; *see Sand Revolution II, LLC v. Continental Intermodal Grp. – Trucking LLC*, IPR2019-01393, Paper 24 at 12 (PTAB June 16, 2020) (informative). Thus, even if we assume that there is overlap between the issues raised in the Petition and the District Court Litigation, we determine that the fourth *Fintiv* factor weighs slightly against discretionary denial of institution.

5. *Factor 5 – Whether the petitioner and the defendant in the parallel proceeding are the same party*

Under the fifth *Fintiv* factor, we consider “whether the petitioner and the defendant in the parallel proceeding are the same party.” *Fintiv*, Paper 11 at 6. Here, Petitioner is the defendant in the District Court Litigation. Prelim. Resp. 18. But, as we discussed for the second factor, the projected trial date in the District Court Litigation is only a couple months before the projected statutory deadline for a final written decision in this

case. Under these circumstances, we determine that the fifth *Fintiv* factor slightly favors discretionary denial of institution.

6. *Factor 6 – Other circumstances that impact the Board’s exercise of discretion, including the merits*

Under the sixth *Fintiv* factor, we consider “other circumstances that impact the Board’s exercise of discretion, including the merits.” *Fintiv*, Paper 11 at 6. “[W]here the PTAB determines that the information presented at the institution stage presents a compelling unpatentability challenge, that determination alone demonstrates that the PTAB should not discretionarily deny institution under *Fintiv*.” Director’s Memo at 4–5. Petitioner argues that the sixth factor “weighs against denial as the merits of Petitioner’s arguments are compelling.” Pet. 54. Patent Owner argues that the sixth factor “weighs in favor of denial” “because the Petition’s proposed combinations fail to render obvious limitation [1.g].” Prelim. Resp. 18–19; *see* Sur-reply 2–3.

On balance, we determine that *Fintiv* factors 1–5 do not favor discretionary denial of institution. Specifically, we determine that Petitioner’s stipulation and the parties’ minimal investment in the District Court Litigation as to issues of unpatentability outweigh the projected trial date. As a result, we need not decide whether Petitioner presents a compelling unpatentability challenge. *See CommScope Techs. LLC v. Dali Wireless, Inc.*, IPR2022-01242, Paper 23 at 4–5 (PTAB Feb. 27, 2023) (decision on Director review) (precedential) (“[I]n circumstances where the Board determines that the other *Fintiv* factors 1–5 do not favor discretionary denial, the Board shall decline to discretionarily deny under *Fintiv* without reaching the compelling merits analysis.”).

7. *Summary*

Based on our holistic view of the *Fintiv* factors, we decline to exercise our discretion under § 314(a) to deny the Petition.

III. CONCLUSION

Based on the information presented, we determine Petitioner has established a reasonable likelihood that it would prevail with respect to at least one of the Challenged Claims. Accordingly, we institute an *inter partes* review on all challenges.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that, pursuant to 35 U.S.C. § 314(a), an *inter partes* review is instituted as to claims 1–6 of U.S. Patent No. 9,667,770 B2;

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial, which commences on the entry date of this Order.

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Patent 9,667,770 B2

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