

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ERICSSON INC.
Petitioner,

v.

KONINKLIJKE KPN N.V.
Patent Owner.

Case No. IPR2023-00524
Patent 9,372,098

**PETITIONER'S REPLY TO PATENT OWNER'S PRELIMINARY
RESPONSE**

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UPDATED EXHIBIT LIST

Exhibit No. ¹	Description
1001	U.S. Patent No. 9,549,098 B2 (“the ’098 Patent”)
1002	Prosecution File History for the ’098 Patent
1003	Declaration of Dr. James Olivier
1004	CV of Dr. James Olivier
1005	Report on the Filing or Determination of an Action Regarding a Patent or Trademark, <i>Koninklijke KPN N.V. v. Telefonaktiebolaget LM Ericsson</i> , No. 2:22-cv-282, (E.D. Tex. July 25, 2022), ECF No. 3
1006	Amended Redacted Complaint, <i>Koninklijke KPN N.V. v. Telefonaktiebolaget LM Ericsson</i> , No. 2:22-cv-282, (E.D. Tex. July 25, 2022), ECF No. 27
1007	Stipulation Regarding Waiver of Service and Answer Deadline, <i>Koninklijke KPN N.V. v. Telefonaktiebolaget LM Ericsson</i> , No. 2:22-cv-282, (E.D. Tex. July 25, 2022), ECF No. 8
1008	Jörg Eberspächer, Hans-Jörg Vögel, Christian Bettstetter, Christian Hartmann, GSM Architecture, Protocols and Services (3rd Edition) (“Eberspächer”)
1009	U.S. Patent No. 9,191,774 B2 to Krco (“ <i>Krco</i> ”)
1010	U.S. Patent Pub. No. 2008/0153521 to Benaouda (“ <i>Benaouda</i> ”)
1011	3GPP TS 24.008 v8.3.0 (“TS 24.008”)
1012	WO Publication No. WO 2008/039973 to Ananthanarayanan (“ <i>Ananthanarayanan</i> ”)
1013	Declaration of Craig Bishop
1014	Claim Listing
1015	U.S. Patent No. 7,802,292 B2 to Shaw

¹ Citations to patents are made by column and line cite; citations to patent publications are made by paragraph number; citations to Exhibits 1002 and 1018 are made with reference to the Bates-stamped pagination; citations to other exhibits are made to the page number of the document itself.

Exhibit No.¹	Description
1016	Convergence Technologies for 3G Networks
1017	WO Publication No. WO 2006/088947 to Geltner
1018	Federal Court Management Statistics (Mar. 31, 2022), <i>available at</i> < https://www.uscourts.gov/statistics/table/na/federal-court-management-statistics/2022/06/30-2 >
1019	<i>Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation</i> (June 21, 2022)
1020	3GPP TS 23.040 v6.9.0 (“TS 23.040”)
1021	U.S. Patent Pub. No. 2006/0217136 A1 to Bantukul
1022	WO Publication No. WO 2009/146740 to Krco
1023	Calendar Events Set of April 1, 2024, E.D. Tex.
1024	Redacted Motion for Judgment as a Matter of Law Pursuant to Rule 50(b), <i>Koninklijke KPN N.V. v. Telefonaktiebolaget LM Ericsson</i> , No. 2:21-cv-113, (E.D. Tex. Oct. 6, 2022), ECF No. 279
1025	Jury Verdict Form, <i>Koninklijke KPN N.V. v. Telefonaktiebolaget LM Ericsson</i> , No. 2:21-cv-113, (E.D. Tex. Oct. 6, 2022), ECF No. 279
1026	Andrew T. Dufresne, Nathan K Kelley, & Lori Gordon, <i>How reliable are trial dates relied on by the PTAB in the Fintiv analysis?</i> , Perkins Coie 1600 PTAB & BEYOND, Oct. 29, 2021
1027	Dani Kass, <i>Fintiv Fails: PTAB Uses ‘Remarkably Inaccurate’ Trial Dates</i> , LAW360, Nov. 2, 2021
1028	Redacted Plaintiff’s Motion for Leave to Amend Infringement Contentions, <i>Koninklijke KPN N.V. v. Telefonaktiebolaget LM Ericsson</i> , No. 2:22-cv-282, (E.D. Tex. May 16, 2023), ECF No. 89

As authorized in a July 6, 2023 email from the Board, Petitioner files this reply to Patent Owner's Preliminary Response (Paper 6 ("POPR")). There is no basis for discretionary denial under *NHK* and *Fintiv* given Petitioner's diligence in filing the Petition, the minimal investment made in the parallel district court proceeding, and because the Petition proposes unique prior art grounds. *See NHK Spring Co. Ltd. v. Intri-Plex Techs. Inc.*, IPR2018-00752, Paper 8, 19-20 (PTAB Sep. 12, 2018) (precedential); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, 3 (PTAB Mar. 20, 2020) (precedential). As demonstrated below, the *Fintiv* factors favor institution.

I. FACTOR 1: A STAY HAS NOT BEEN REQUESTED

Petitioner and Patent Owner do not dispute that this factor is neutral, because neither party has requested a stay of the parallel litigation. *See* POPR, 61-62.

II. FACTOR 2: THE DISTRICT COURT'S TRIAL CALENDAR IS FULL AND THE DEADLINE FOR THE DISTRICT COURT'S FINAL DECISION ON INVALIDITY IS UNCLEAR

As the Interim Guidance explains, "[w]here the parties rely on time-to-trial statistics, the PTAB will also consider additional supporting factors such as the number of cases before the judge in the parallel litigation" EX1019, 9. Trial in the parallel district court matter is scheduled to begin on April 1, 2024, along with six other cases. EX2010, 1; EX1023. It is reasonable to expect that some of these cases will be resolved prior to trial and others will be rescheduled for a later available month. There is no certainty this matter will go to trial on April 1, 2024.

Further, although the parallel litigation is tentatively scheduled to reach trial less than six months before the final written decision deadline (September 16, 2024), there will almost certainly be additional post-trial motions addressing the invalidity issue that go unaddressed by the final written decision deadline. In prior litigation between Petitioner and Patent Owner before Judge Gilstrap, *Koninklijke KPN N.V. v. Telefonaktiebolaget LM Ericsson*, No. 2:21-cv-113, (E.D. Tex. March 31, 2021), Petitioner filed on October 4, 2022 a post-trial Motion for Judgment as a Matter of Law arguing, among other points, that U.S. Patent No. RE48,089 is invalid. EX1024 (redacted version, filed October 6, 2022), 33-34. This motion is still outstanding nearly 11 months after the jury verdict was entered in that case and that case is not yet ripe for appeal. EX1025. Should similar circumstances occur in the present parallel litigation, the final written decision deadline would precede the district court's ultimate decision on the invalidity issue by over six months, thereby obviating any concerns of inconsistent final decisions regarding invalidity. Moreover, the trial date may change. EX1026 (*Fintiv* trial date predictions inaccurate); EX1027 (similar). Thus, *Fintiv* factor 2 favors institution.

III. FACTOR 3: PETITIONER DILIGENTLY FILED ITS PETITION AND THE DISTRICT COURT HAS NOT INVESTED SIGNIFICANT RESOURCES

Petitioner diligently filed its Petition *less than six weeks* after it received Patent Owner's infringement contentions on January 5, 2023, and well before

serving initial invalidity contentions on March 16, 2023. *See* EX2016, 5; EX2015, 78. The Board has recognized that “it is often reasonable for a petitioner to wait to file its petition until it learns which claims are being asserted against it in the parallel proceeding.” *Fintiv*, IPR2020-00019, Paper 11 at 11. Further, the Board has credited petitioners for filing petitions as many as four months after receiving infringement contentions. *See, e.g., Corning Optical Communications LLC v. Dali Wireless, Inc.*, IPR2021-00762, Paper 8, 9-10 (PTAB Oct. 31, 2021). And the Board has credited petitioners that have filed petitions in close proximity to serving invalidity contentions in parallel litigations. *See, e.g., Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12, 17 (PTAB Dec. 1, 2020) (precedential).

Further, the district court has invested minimal effort on invalidity issues. The district court claim construction hearing, the close of discovery, and rulings on dispositive motions, *Daubert* motions, and motions *in limine* are all scheduled after the September 16, 2023 institution deadline. *See* EX2010, 2-4. Patent Owner is correct that certain discovery efforts have begun in the district court case, but those efforts are merely “ancillary matters untethered to validity issue itself,” and they do not indicate a significant investment in the district court on the invalidity issue. *Sand Revolution II, LLC v. Continental Intermodal Group-Trucking, LLC*, IPR2019-01393, Paper 24, 10-11 (PTAB June 16, 2020) (informative). In fact, Patent Owner represented to the district court on May 16, 2023 that the case is still in an

“exceptionally early stage.” EX1028, 14. This belies KPN’s argument to the Board on June 16, 2023 that the district court case “is at an advanced stage.” POPR, 63.

Thus, the evidence shows that the district court’s investment on the invalidity issue is minimal. *See, e.g., PEAG LLC v. Varta Microbattery GmbH*, IPR2020-01214, Paper 8, 17 (PTAB Jan. 6, 2021); *see also NetNut Ltd.*, IPR 2021-01492, Paper 12, 11. Petitioner’s diligence in filing its Petition and the district court’s minimal investment on the invalidity issue therefore tips *Fintiv* factor 3 strongly in favor of institution. *See PEAG*, IPR2020-01214, Paper 8 at 17-18; *see also Ericsson Inc. v. Koninklijke KPN N.V.*, IPR2022-00079, Paper 9, 10-11 (PTAB May 25, 2022) (*Ericsson I*); *Ericsson Inc. v. Koninklijke KPN N.V.*, IPR2022-00069, Paper 9, 11-12 (PTAB May 25, 2022) (*Ericsson II*) (finding Factor 3 weighs against discretionary denial given petitioner diligently filed its petitions within two months of receiving infringement contentions and before filing invalidity contentions, even where the district court had already issued a claim construction order).

IV. FACTOR 4: THE PETITION RAISES UNIQUE ISSUES THAT WILL NOT BE RESOLVED IN DISTRICT COURT

Petitioner stipulates that, if the Patent Trial and Appeal Board institutes an IPR in this proceeding on the grounds presented in the Petition, Petitioner will not pursue an invalidity defense in the district court action (C.A. No. 2:22-cv-282-JRG) that the patent claims subject to the instituted IPR are invalid based on the same

grounds as in the Petition or on the references that are the bases for those grounds (e.g., *Krco*, *Benaouda*, and TS 24.008).

This stipulation eliminates any risk of overlapping effort and results. The Board has confirmed that such a stipulation “mitigates any concerns of duplicative efforts between the district court and the Board, as well as concerns of potentially conflicting decisions.” See, e.g., *VMWare, Inc. v. Intellectual Ventures I LLC*, IPR2020-00470, Paper 13, 20 (PTAB Aug. 18, 2020) (“Thus, we find that this factor weighs in favor of not exercising discretion to deny institution under 35 U.S.C. § 314(a).”); see also *Ericsson I*, IPR2022-00079, Paper 9, 13; *Ericsson II*, IPR2022-00069, Paper 9, 13-14.

V. FACTOR 5: WHETHER PETITIONER AND THE DEFENDANT IN THE PARALLEL PROCEEDING ARE THE SAME

Petitioner does not dispute that because it is the Defendant in the parallel district court litigation this factor weighs in favor of discretionary denial.

VI. FACTOR 6: THE PETITION’S MERITS ARE COMPELLING

As the Interim Guidance explains, “where 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*.” EX1019, 4-5. The Petition presents a compelling unpatentability challenge of the ’098 Patent, so the Board should not discretionarily deny institution here.

Respectfully submitted,

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CERTIFICATE OF SERVICE

In accordance with 37 C.F.R. § 42.6(e), the undersigned certifies that on the 13th day of July 2023, a complete and entire copy of this PETITIONER'S REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE and Exhibits 1023-1028 were served on Patent Owner via electronic mail at the following addresses:

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