

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MICROSOFT CORPORATION and AFFIRMED NETWORKS, INC.,
Petitioner,

v.

LEMKO CORPORATION,
Patent Owner.

Case IPR2023-00529
U.S. Patent No. 7,653,414

PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW

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Patent Owner Lemko Corp. (“Lemko”) respectfully submits that Director review is necessary to clarify the obligations of (1) petitioners to meaningfully address foreseeable critical claim construction disputes in the petition and (2) the Board to address dispositive claim construction disputes at the institution stage. As such, pursuant to 37 C.F.R. § 42.71(d) and the Revised Interim Director Review Process adopted on July 24, 2023, Lemko respectfully requests Director Review of the Board’s decision granting institution of *inter partes* review (“IPR”). Paper 11 (“DI”).

I. INTRODUCTION

Petitioners’ request for IPR should have been denied because they failed to propose a construction for the critical “distributed mobile architecture” limitation (“DMA Limitation”) or explain how the prior art disclosed the DMA Limitation under any reasonable interpretation of the term. That term appears in every claim, directly or through dependency, is used to distinguish the conventional legacy networks disclosed in the prior art, and is repeated roughly 550 times throughout the patent.

In its Preliminary Response, Lemko took care to explain what a DMA is and how the inventors used the term to distinguish the hierarchical architecture that still dominates mobile communications networks to this day. Paper 7 (“POPR”) at 1-8 (describing the difference between the inventive DMA and conventional hierarchical

networks); *id.* at 21-25 (DMA-related claim construction). Lemko also relied upon the DMA Limitation to distinguish Waylett's and Mauer's conventional, hierarchical network architecture. *Id.* at 15-18, 26-30. Lemko's arguments about claim scope and patentability were entirely foreseeable given the specification's focus on this architecture in terms of improving and complementing the legacy communications networks disclosed in Waylett and Mauer.

Nevertheless, Petitioners did not propose any claim construction for the term, did not argue that the term had a plain and ordinary meaning in the art, and provided no explanation of how Waylett or Mauer satisfied the DMA Limitation under *any* reasonable interpretation of the term. Paper 3 ("Pet.") at 18 (labeling disparate telecommunications systems connected via typical circuit-switched networks as "DMA systems" and the overall network as a "DMA network"). Petitioners, therefore, failed to meet their obligation to identify "with particularity . . . the grounds on which the challenge to each claim is based." 35 U.S.C. § 312(a)(3); 37 C.F.R. § 42.104(b)(3)-(4); POPR at 19-21. Lemko requests that the Director reverse the DI and clarify that Petitioners may not dodge these obligations simply by contending that "no express claim construction is needed." DI at 13.

The Director should also reverse, or at least vacate, the DI because the Board not only refused to construe the DMA Limitation, it appears to have given the term no patentable weight without any legal justification. *Id.* at 12-13. The Board's

decision not to construe this key term contravenes the Patent Trial and Appeal Board Consolidated Trial Practice Guide (“CTPG”), is inconsistent with longstanding Federal Circuit precedent, and is irreconcilable with the AIA’s goal of providing a fast, efficient alternative to district court litigation.

II. STATEMENT OF THE FACTS

Lemko invented an innovative distributed mobile architecture (“DMA”) for telecommunications, which was very different from the then-conventional hierarchical, telecommunication networks. POPR at 9-15, 3-8. Lemko’s DMA networks are built on DMA servers that communicate with each other over peer-to-peer (“P2P”) connections, forming a decentralized network where nodes are able to communicate with each other without relying on a centralized center to manage traffic. POPR at 12-14, 21-24; ’414 Patent at 4:29-32, 4:45-60, Fig. 1. This provides important benefits over the prior art. POPR at 9, 13-14. In contrast, conventional legacy networks, such as those in the references cited by Petitioners, rely on centralized mobile switching centers to manage traffic. POPR at 3-7.

The centrality of the DMA Limitation to the challenged claims is apparent from the face of the patent itself. The ’414 Patent uses the phrase “Distributed Mobile Architecture” in the title of the patent and in the first sentence of its abstract. ’414 Patent at Cover (codes 54 and 57). The phrase “distributed mobile architecture”

and its abbreviation “DMA” appears roughly 550 times in the ’414 Patent, and over and 15 times in challenged independent claim 1 by itself.

Petitioners provided no construction for a DMA network, simply stating that “[t]he Board construes claims under the same standard used in civil actions in federal district court” and that the “district court for the related litigation has not yet construed the claim terms.” Pet. at 7. Petitioners alleged that the ’414 Patent was rendered obvious by Mauer and Waylett. Petitioners contended that Mauer in combination with Waylett’s network components equate to the claimed DMA components. *See id.* at 18. But Mauer’s and Waylett’s network components are part of the then-conventional fragmented and hierarchical architecture. POPR at 15-18, 26-30. Petitioners did not attempt to explain how the DMA Limitation could possibly be construed to cover such conventional legacy networks.

Lemko’s preliminary response relied heavily on the recited DMA Limitation to distinguish the Waylett and Mauer references. POPR at 9-15. Lemko proposed that “DMA network” should be construed as requiring peer-to-peer connections. *Id.* at 21-25. Lemko also argued that there was nothing “distributed” about Waylett’s or Mauer’s architecture and that it did not include peer-to-peer connections. *Id.* at 15-18, 26-30. If the Board had agreed with Lemko’s claim construction, that would have dictated denial of the Petition because it was undisputed that the references did not

disclose a network of decentralized servers connected through peer-to-peer connections. *Id.* at 26-30.

Lemko also argued in its preliminary response that the Board should deny the Petition because of Petitioners' failure to address the construction of the DMA Limitation despite its importance to the Challenged Claims. *Id.* at 19-21. Lemko pointed out that Petitioners did not explain how the various cited components in the Mauer and Waylett references could be considered part of a distributed mobile architecture network. *Id.* at 21. Instead, Petitioners just labeled various components in the modified Mauer system as the "First DMA System" and the "Second DMA System" without explaining what "DMA" means. *See* Pet. at 18, 20-23; POPR at 20-21, 28.

After receiving Lemko's Preliminary Response, Petitioners could have requested an opportunity to respond to Lemko's proposed claim construction under 37 C.F.R. § 42.23. However, Petitioners chose not to comment on Lemko's proposed construction, leaving it unrebutted and continuing to decline to take any position on the meaning of the DMA Limitation.

Citing the Consolidated Trial Practice Guide, the Board declined to deny institution for Petitioners' failure to construe "distributed mobile architecture" because the Board found Petitioners had elected to "take the position that no express

claim construction is needed” given its statement about claim construction. DI at 13 (citing CTPG at 44).

The Board itself declined to construe the DMA Limitation. *Id.* at 13-15. The Board preliminarily did not adopt Lemko's construction for “DMA” as requiring peer-to-peer connections but did not provide a construction of its own, leaving the meaning of DMA network undefined, and therefore, the scope of the IPR undefined.

III. ARGUMENT

A. Petitioners' Failure to Explain How the Claims are Unpatentable as Properly Construed Requires Reversal

The Director should reverse the Board's institution of *inter partes* review of the '414 Patent because Petitioners did not construe the Challenged Claims or identify “[h]ow the construed claim is unpatentable under the statutory grounds” under 37 C.F.R. § 42.104(b)(3)-(4).

1. DMA is a Key Claim Limitation that Requires Construction

Lemko's novel DMA is a key concept in the challenged claims and an important distinction over conventional telecommunication networks. *See* § II, *supra*. The DMA is central to the '414 Patent and unique to Lemko's inventions. The importance and centrality of the term—shown by its frequent invocation in the '414 Patent's title, abstract, claims, and specification—demonstrates it was foreseeable that the scope of the term would be central to the parties' dispute in this case.

The phrase DMA appears in the patent roughly 550 times, and over 15 times in independent claim 1 itself. Every claim in the '414 Patent, directly or through dependency, recites multiple aspects of a DMA. *See, e.g.*, '414 Patent at Claim 1 (reciting “receiving at a first distributed mobile architecture (DMA) system of a DMA network, a call from a first mobile subscriber” and “wherein the DMA network includes at least the first DMA system and a second DMA system”).

2. Petitioners Cannot Opt Out of Construing Key Claim Limitations

The Director's guidance is necessary to clarify that Petitioners have an obligation to address foreseeable key claim issues in their petitions. Where a critical term plainly requires construction, as was the case here, petitioners should not be permitted to evade these obligations by simply reciting the magic words that they believe no “claim term requires express construction.” DI at 13. Petitioners' statement that no term requires construction cannot be reconciled with the importance of the DMA term to this case or the Office's requirement that the petition establish “[h]ow the challenged claim is to be construed” and “[h]ow the construed claim is unpatentable under the statutory grounds identified in paragraph (b)(2) of this section.” 37 C.F.R. § 42.104(b)(3)-(4).

The handling of dispositive claim construction issues should not and cannot wait until after trial has already been instituted. Patent owners are now encouraged to raise claim construction positions before institution lest they give the petitioners

an opportunity to morph their invalidity theories during the trial phase. *See Axonics Inc. v. Medtronic, Inc.*, 75 F.4th 1374 (Fed. Cir. 2023). In *Axonics*, the Federal Circuit vacated a PTAB finding that challenged claims were not unpatentable because the PTAB refused to consider the petitioner's reply arguments and evidence to a claim construction proposed in the patent owner's response. *Id.* Citing "sandbagging" concerns, the Federal Circuit held that, "where a patent owner in an IPR first proposes a claim construction in a patent owner response," the petitioner must now have the opportunity to change and adapt its invalidity theory in their replies. 75 F.4th at 1384; *see also id.* at 1384 n.11 (discussing a "sandbagging" scenario where a patent owner waits until after institution to unveil a dispositive claim construction argument so that estoppel attaches to a petitioner).

But the "sandbagging" concerns articulated in *Axonics* apply with even more force to petitioners, who like the Petitioners in this case, avoid explicitly advocating for the broad constructions implied by their invalidity grounds. This tactic leaves such parties free to argue for narrower constructions in the parallel district court proceedings, to avoid infringement, for example. It also encourages petitioners to delay taking positions on dispositive claim construction issues until the trial phase, where they are may be accorded the flexibility to materially alter the patentability theories raised in the petition. *Id.* at 1384. But such tactics cannot be squared with the idea that "the petitioner's petition . . . is supposed to guide the life of the litigation

[in an IPR proceeding]” or the Office’s own regulations that place the burden for construing the claims and explaining how the construed claims are unpatentable squarely on the petitioner. *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1356 (2018); 37 C.F.R. § 42.104(b)(4).

Requiring petitioners to address foreseeably dispositive claim construction issues in the petition imposes no undue burden on petitioners and is entirely consistent with the Office’s requirement that the petition identify how the challenged claims are patentable as properly construed under 37 C.F.R. § 42.104(b)(4). Where a petitioner has reason to dispute the foreseeability of a dispositive claim construction issue, or where it has reason to dispute a construction proposed in the POPR, petitioners are encouraged to request a Reply. 37 C.F.R. §§ 42.23, 42.108(c); CTPG at 51-52. These regulations protect petitioners from “gotcha” arguments, such as those faulting a petitioner for not addressing a term that was not reasonably in dispute, and help the Board understand whether and to what extent construction of certain terms actually are in dispute.

Thus, whatever basis Petitioners had to support their representation that no construction of this term was necessary became untenable in view of Lemko’s discussion of claim scope and its reliance on the meaning of this term to distinguish the art. Petitioners chose not to comment on Lemko’s proposed construction, leaving

it un rebutted, and continued to evade engaging with the critical claim construction issue.

3. Denial of Institution is Warranted

Given the central importance of the DMA Limitation, and Petitioners' failure to explain how the construed claims are unpatentable, denial of institution is warranted. As the Federal Circuit has admonished, "[i]t is of the **utmost importance** that petitioners in the IPR proceedings adhere to the requirement that the initial petition identify with particularity the evidence that supports the grounds for the challenge to each claim." *Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1369 (Fed. Cir. 2016) (emphasis added) (internal quotation marks omitted). Petitioners should be held to their obligation to provide meaningful constructions to important terms and the petition should be denied under the Board's precedent.

The Board's decision to excuse Petitioners' silence is further inconsistent with a number of well-reasoned decisions denying institution, where, as here, a petitioner fails to address a foreseeable claim construction issue. In *SharkNinja Operating LLC v. Flexible Techs., Inc.*, No. IPR2018-00903, Paper 8 at 6-10 (P.T.A.B. Oct. 17, 2018), the Board denied institution where the petitioner failed to offer a construction for a sidewall angle recited in claim 1. *Id.* at 6-7. The Board found the petitioner failed to satisfy its burden under 37 C.F.R. § 42.104(b) to explain how a challenged

claim is to be construed because the petitioner had acknowledged the meaning of the limitation was “unclear from the specification” and “it was therefore incumbent on the [p]etitioner to engage in further analysis or to propose a construction in order to satisfy the rules under 37 C.F.R. § 42.104(b)(3).” *Id.* at 9-10; *see also id.* at 7 (Petitioner arguing in its petition that “the meaning of [the sidewall angle term] is not clear from the Specification”). Similarly, in *Infinera Corp. v. Core Optical Techs., LLC*, the Board denied institution because the petitioner failed to offer a construction for an important claim term and “[i]t cannot be said that Petitioner is unaware of the important claim construction matters that go to the heart of dispositive patentability issues.” *See* No. IPR2018-01259, Paper 9 at 12-13 (P.T.A.B. Jan. 14, 2019). Here, where DMA does not have an established meaning outside of the context of Lemko’s patents, Petitioners should have proposed a construction or explained *why* they felt that no construction was necessary to establish that Mauer in combination with Waylett renders obvious a DMA network.

To be clear, Lemko does not suggest that petitioners must always provide explicit constructions for every limitation. *See Axonics*, 75 F.4th at 1380-81 (“There is no rule, for example, requiring a petition to describe all possible or reasonable claim constructions and to present invalidity theories under those constructions.”). Instead, the extent to which a petitioner is obliged to construe any particular term should depend on the extent to which it has satisfied the particularity requirement of

a petition under 35 U.S.C. § 312(a)(3). *See* 37 C.F.R. § 42.22; 37 C.F.R. § 42.104(b)(3)-(4) (providing that a petition must identify “[h]ow the challenged claim is to be construed”). That is, if it is foreseeable that patentability depends on the Board adopting a particular claim interpretation, the Board should require Petitioners to establish such interpretation in the petition or *at least* request the opportunity to address the dispute in a Reply to the POPR, as permitted under 37 C.F.R. § 42.108(c).

Here, where the construction of the DMA Limitation was critically important to defining the scope of the petition presented to the Board, Petitioners failed to fulfill their obligation to construe the claims (or, at minimum, engage in claim construction under 37 C.F.R. § 42.23 after receiving the POPR). Lemko respectfully requests that the Director grant rehearing of and reverse the DI.

B. The Director Should Vacate the Board's Institution Decision for Failure to Render a Claim Construction for a Key Patent Term

The Director should also vacate the Board's decision instituting IPR because the Board did not provide a preliminary claim construction for the DMA Limitation, leaving the scope of the IPR undefined. This aspect of the DI contravenes longstanding Federal Circuit precedent and the explicit requirements of the CTPG. CTPG at 49 (“Upon consideration of the parties’ proposed claim constructions and supporting evidence, *the Board will provide an initial claim construction*”).

determination in the institution decision, to the extent that such construction is required to resolve the disputes raised by the parties.”) (emphasis added).

Lemko heavily relied on the DMA Limitation to distinguish the prior art. *See* POPR at 21-25 (proposing a construction, supported with expert testimony and intrinsic evidence). The Board acknowledged Lemko’s proposed construction and noted that it was one of Lemko’s primary global arguments. DI at 13. Thus, while the Board was not bound to **accept** Lemko’s proposed construction, it **was** required to “resolve” the patentability dispute raised in the POPR, which depends on the meaning of the DMA Limitation. *O2 Micro Int’l Ltd. v. Beyond Innovation Tech. Co.*, 521 F.3d 1351, 1362 (Fed. Cir. 2008) (“When the parties present a fundamental dispute regarding the scope of a claim term, it is the court’s duty to resolve it.”).

O2 Micro further establishes that “[a] determination that the “term ‘needs no construction’ or has the ‘plain and ordinary meaning’ may be inadequate when a term has more than one ‘ordinary’ meaning or when reliance on a term’s ‘ordinary’ meaning does not resolve the parties’ dispute.” *Id.* at 1361. In this case, Petitioners did not argue that the term had a “plain and ordinary meaning,” and the Board did not discern one. DI at 12-15. Instead, the Board suggested that petitioners never have a burden to construe key claim terms so long as they state that no express constructions are necessary *and* that the Board has no burden to construe claim terms even when they are in dispute. *Id.* The Board’s non-construction left unresolved both

the scope of this key term and whether Mauer's conventional, hierarchical network architecture components in combination with Waylett's "would fall within the scope" of the claimed DMA network, its non-construction was legal error. POPR at 20-21 (citing *Samsung Elec. Co. v. Blaze Mobile, Inc.*, No. IPR2021-01571, Paper 15 at 14 (P.T.A.B. Apr. 4, 2022); 37 C.F.R § 42.104(b)(4)).

The Board was obligated to provide a construction for the term, and it erred in concluding that no construction was necessary to resolve the parties' dispute. CTPG at 49; *see also O2 Micro*, 521 F.3d at 1362. The Board's non-construction of DMA did not resolve the parties' apparent disputes over the meaning of the term *or* whether the art satisfied any *other* interpretation of the term. Instead, when considering whether Mauer in combination with Waylett renders obvious a DMA network, it accepted Petitioners' conclusory assertion that the combination "would include a DMA network" without ever establishing what DMA meant to a POSITA at the time of the invention. DI at 26-27. As a result of the Board's abdication of duty to construe the claims, Lemko is faced with responding to an institution decision and possibly filing motions to amend, without having even preliminary guidance as to the Board's view of the meaning of the DMA Limitation.

Thus, at a minimum, the institution decision should be vacated for the Board to determine how a POSITA would have understood the term "distributed mobile architecture" at the time of the invention and in the context of the '414 Patent.

However, because Petitioners offered no explanation about how Mauer in combination with Waylett “serve as the ‘distributed mobile architecture (DMA) servers’ of the asserted claims” under any reasonable interpretation of DMA, the Director can and should reverse the DI.

IV. CONCLUSION

Lemko respectfully requests that the Director grant its request for Director Review of the institution decision and either reverse or vacate.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned certifies, in accordance with 37 C.F.R. § 42.6(e), and pursuant to agreement by the parties that filing with the Board through the Patent Trial and Appeal Case Tracking System (P-TACTS) constitutes electronic service, that service was made on the Petitioners as detailed below.

<i>Date of service</i>	October 10, 2023
<i>Manner of service</i>	Electronic Filing (mhopkins@winston.com; bshelton@winston.com; mrueckheim@winston.com; Winston-MSFT-Lemko-IPR@winston.com)
<i>Documents served</i>	PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW
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