

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. IPR2023-00581
Patent 8,886,772

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

TABLE OF CONTENTS

i.	Factor 1: A Stay Has Not Been Requested.....	1
II.	Factor 2: The Court’s Calendar is Full And the Deadline for the Court’s Invalidity Decision is Unclear	1
III.	Factor 3: Petitioner Diligently Filed Its Petition and the District Court has Not Invested Significant Resources.....	2
IV.	Factor 4: The Petition Raises Unique Issues that will Not be Resolved in District Court	4
V.	Factor 5: Whether Petitioner and the Defendant in the Parallel Proceeding are the Same.....	5
VI.	Factor 6: The Petition’s Merits are Compelling.....	5

UPDATED EXHIBIT LIST

Exhibit No.	Description
1001	U.S. Patent No. 8,886,772
1002	Declaration of Daniel J. Blumenthal, Ph.D.
1003	Curriculum Vitae of Daniel J. Blumenthal, Ph.D.
1004	Prosecution History of U.S. Patent No. 8,886,772
1005	Markman Order from <i>Koninklijke KPN NV v. Samsung Electronics America, Inc. et al.</i> , 2-14-cv-01165-JRG (E.D. Tex.)
1006	U.S. Patent Publication No. 2009/0201830 to <i>Angelot</i>
1007	U.S. Patent Publication No. 2002/0073182 to <i>Zakurdaev</i>
1008	U.S. Patent Publication No. 2003/0061315 to <i>Jin</i>
1009	Joint Claim Construction Brief (Dkt. No. 57) filed in <i>KPN v. Xiaomi</i> , 21-cv-00041-GBW-CJB (D. Del. June 10, 2022)
1010	TR-069 (“CPE WAN Management Protocol v.1.1”, Broadband Forum, Issue 1 Amendment 2, December 2007)
1011	Excerpts of Microsoft Computer Dictionary, Fifth Edition, dated 2002 (ISBN 0-7356-1495-4)
1012	RFC 2131 (“Dynamic Host Configuration Protocol”, R. Droms, March 1997)
1013	RFC 2132 (“DHCP Options and BOOTP Vendor Extensions”, S. Alexander et al., March 1997)
1014	Joint Request for Stay Pending Settlement (Dkt. No. 105) filed in <i>KPN v. Xiaomi</i> , 21-cv-00041-GBW-CJB (D. Del. Nov. 28, 2022).
1015	An Introduction to Packet Switching (Nick McKeown)
1016	Next Generation Optical Networks, Peter Tomsu, dated 2002 (ISBN 0-13-028226-X)
1017	Optical Fiber Telecommunications, Ivan Kaminow, dated 2008 (ISBN 978-0-12-374172-1)
1018	A Quick Tutorial on IP Router Design, Nick McKeown, dated October 10, 2000.
1019	Prosecution History of U.S. Patent No. 9,838,256
1020	<i>Ericsson Inc. v. Koninklijke KPN N.V.</i> , IPR2023-00524, Paper 6 (PTAB Jun. 16, 2023)
1021	<i>Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation</i> (June 21, 2022)

Exhibit No.	Description
1022	Plaintiff's Disclosure of Asserted Claims and Infringement Contentions
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 5 ("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. Intrix-Plex Techs. Inc.*, IPR2018-00752, Paper 8, 19-20 (PTAB Sep. 12, 2018) (precedential). As demonstrated below, the *Fintiv* factors favor institution.

I. FACTOR 1: A STAY HAS NOT BEEN REQUESTED

Patent Owner argues that the "first *Fintiv* factor thus favors denying institution," while conceding in a parallel IPR that "[t]his factor is thus neutral." *Comparing POPR, 67 with EX1020, 62*. The Board should reject Patent Owner's contradictory arguments and find this factor neutral.

II. FACTOR 2: THE COURT'S CALENDAR IS FULL AND THE DEADLINE FOR THE COURT'S INVALIDITY DECISION 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" EX1021, 9. Trial in the parallel district court matter is scheduled to begin on April 1, 2024, along with six other cases. EX2005, 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* EX1022, 5; EX2008, 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* EX2005, 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 17, 2023 that the district court case “is at an advanced stage.” POPR, 7, 66.

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.*, *Angelot* and *Zakurdaev*).

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*.” EX1021, 4-5. The Petition presents a compelling unpatentability challenge of the ’772 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 PETITIONERS' REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE and Exhibits 1020-1028 were served on Patent Owner via electronic mail at the following addresses:

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Respectfully submitted,

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