UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ERICSSON INC.,
Petitioner,

v.

KONINKLIJKE KPN N.V.,
Patent Owner.

Case IPR2023-00581
Patent 8,886,772

PATENT OWNER'S SUR-REPLY TO PETITIONER'S REPLY

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Other Authorities

35 U.S.C § 314(a)……1, 5

PATENT OWNER'S EXHIBIT LIST

Exhibit	Description
2001	Declaration of Mr. Regis J. (Bud) Bates, Jr. in Support of Patent Owner
2002	Curriculum Vitae of Regis J. (Bud) Bates, Jr.
2003	U.S. Patent No. 9,838,256 ("the Child '256 Patent")
2004	U.S. Patent No. 8,089,953 ("Angelot Patent")
2005	First Amended Docket Control Order in *Koninklijke KPN N.V. v. Telefonaktiebolaget LM Ericsson*, 22-cv-00282 (E.D. Tex.) (D.I. 101)
2006	United States District Courts – National Judicial Caseload Profile, https://www.uscourts.gov/sites/default/files/data_tables/fcms_na_distprofile0331.2023.pdf
2007	Docket Sheet for *Koninklijke KPN N.V. v. Telefonaktiebolaget LM Ericsson*, 22-cv-00282 (E.D. Tex.)
2008	Ericsson's P.R. 3-3 Invalidity Contentions in *Koninklijke KPN N.V. v. Telefonaktiebolaget LM Ericsson*, 22-cv-00282 (E.D. Tex.) (information designated confidential in Texas Action redacted)
2009	Ericsson's Response in Opposition to KPN's Motion for Leave to Amend Infringement Contentions in *Koninklijke KPN N.V. v. Telefonaktiebolaget LM Ericsson*, 22-cv-00282 (E.D. Tex.)

I. THE BOARD SHOULD DENY INSTITUTION UNDER § 314(a)

Pursuant to the Board's authorization, Patent Owner Koninklijke KPN N.V. ("Patent Owner") responds to Petitioner's Reply. Paper 6 ("Reply"). Petitioner declined to submit a *Sotera*-type stipulation in its Reply, which would have obviated a full analysis of the *Fintiv* factors. EX1021 ("Interim Procedure"), 3, 7-8.

The Reply does not salvage the Petition. The *Fintiv* factors (still) favor discretionary denial, and the Petition (still) fails to present compelling evidence of unpatentability. Similar to other post-Interim Procedure cases in which the Board has denied petitions, including the *Collision* case involving this Petitioner, the Board should deny institution under 35 U.S.C. § 314(a).[1]

A. Factor 2: Trial in the Texas Action Will Occur Before the Board's Final Written Decision

Regardless of whether the Board considers the scheduled trial date (April 1,

[1] *Roku, Inc. v. IOENGINE, LLC*, IPR2022-01551, Paper 11 (PTAB May 5, 2023) ("*Roku*") (stipulation did not avert discretionary denial); *Samsung Elec. Co. Ltd. v. Cal. Inst. Tech.*, IPR2023-00130, Paper 10 (PTAB May 4, 2023) ("*Samsung*") (same); *Ericsson Inc. v. Collision Commc'n, Inc.*, IPR2022-01233, Paper 12 (PTAB Jan. 19, 2023) ("*Collision*") (same). The Board in companion cases reached the same result. IPR2022-01552, -01553, -01554; IPR2023-00131, -00133, -00137.

2024) or the trial date expected based on time-to-trial statistics (February 25, 2024), the trial in the co-pending litigation, *Koninklijke KPN N.V. v. Telefonaktiebolaget LM Ericsson*, 22-cv-00282 (E.D. Tex.) ("Texas Action"), would commence at least five months before the Board's anticipated one-year statutory deadline for issuing a final written decision in this case (September 2024). Paper 5 ("POPR"), 67-68.

Petitioner does not dispute any of these dates. Reply, 1-2. Petitioner's argument that "[t]here is no certainty this matter will go to trial" and "the trial date may change" is speculative and misapplies the Interim Procedure. *Id.*; Interim Procedure, 8-9. Petitioner's post-trial motions in an unrelated case are likewise irrelevant, as this factor focuses solely on the *trial* date. Interim Procedure, 8. The second *Fintiv* factor favors denying institution. *Roku*, Paper 11, 10-11; *Samsung*, Paper 10, 16; *Collision*, Paper 12, 12-13.

B. Factor 4: There Is Substantial Overlap Between Issues in the Petition and the Texas Action

Citing a pre-Interim Guidance case *VMWare, Inc. v. Intellectual Ventures I LLC*, IPR2020-00470, Paper 13 (PTAB Aug. 18, 2020), Petitioner stipulated not to pursue an invalidity defense in the Texas Action "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*)." Reply, 4-5. But Petitioner's stipulation "falls far short of a *Sotera*-type stipulation that would bar [Petitioner] from pursuing any grounds in the parallel

district court proceeding that could have reasonably been raised before the Board." *Roku*, Paper 11, 13; *see also Samsung*, Paper 10, 19; Interim Procedure, 7-8. Petitioner's stipulation thus fails to ensure that "an *inter partes* review is a 'true alternative' to the district court proceeding." *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12, *19 (PTAB Dec. 1, 2020) (precedential). At best for Petitioner, the fourth *Fintiv* factor "weighs somewhat against" denial. *Roku*, Paper 11, 14; *Samsung*, Paper 10, 20; *see also Collision*, Paper 12, 16.

Petitioner has not cited any post-Interim Procedure case in which a *VMWare*-type stipulation tipped the balancing of the *Fintiv* factors against discretionary denial. To the contrary, in the post-Interim *Collision* case this Petitioner submitted a *VMWare*-type stipulation similar to the stipulation here, and the Board nevertheless denied institution under § 314(a). *Collision*, Paper 12, 18-19. The Board should do so here as well.[2]

C. Factor 5: The Parties Are the Same in Both Proceedings

Petitioner does not dispute that the fifth *Fintiv* factor weighs in favor of discretionary denial. Reply, 5.

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[2] Petitioner's reliance on *Ericsson Inc v. Koninklijke KPN N.V.*, IPR2022-00079, Paper 9 (PTAB May 25, 2022) and IPR2022-00069, Paper 9 (PTAB May 25, 2022) is misplaced because the decisions predate the Interim Guidance.

D. Factors 1 and 3: Stay, and Investment in the Texas Action

Factor 1: At best for Petitioner, the first *Fintiv* factor is neutral. *Roku*, Paper 11, 10; *see also Collision*, Paper 12, 12.

Factor 3: Patent Owner showed that the district court and the parties have already invested—and will continue to invest—significantly in the Texas Action and, therefore, the third *Fintiv* factor weighs in favor of denial. POPR, 68-69. Petitioner spends most of its Reply disputing the amount of resources that the district court and parties will invest into invalidity issues in the Texas Action prior to the Board issuing its institution decision in September 2023, but the dispute does not "tip[] *Fintiv* factor 3 strongly in favor of institution." Reply, 2-4. And the parties' dispute on the third factor does not dislodge the second and fifth factors favoring denial.

Petitioner's quote from Patent Owner's motion to amend its infringement contentions is taken out of context—and, worse, ignores its own arguments. Reply, 4 (citing EX1028). Specifically, contrary to what Petitioner argues here, Petitioner argued to the Court that that the parties were "mid-way through this litigation" and "more than halfway through discovery." EX2009, 2, 3. But the stage of the infringement case at the time of the motion in May 2023 has no bearing on the district court's and parties' investment into invalidity issues through September 2023, when the Board would issue its institution decision.

E. Factor 6: The Merits of the Petition Are Weak

Petitioner offers no explanation why the Petition presents "compelling evidence of unpatentability," which is a substantially higher standard than that required for institution. Interim Procedure, 4-5. Instead, the Reply vaguely asserts that "[t]he Petition presents a compelling unpatentability challenge of the '772 Patent." Reply, 5. Petitioner's limited discussion of compelling evidence is telling because Patent Owner presented arguments on the lack of compelling evidence in the POPR. POPR, 70.

II. CONCLUSION

Setting aside the parties' dispute on factor 3, factors 2 and 5 weigh in favor of denial, factor 1 is neutral, and factor 4 "weighs somewhat against" denial. *Roku*, Paper 11, 14; *Samsung*, Paper 10, 20. Petitioner has not submitted a *Sotera*-type stipulation that would make discretionary denial inappropriate, and the Petition fails to present compelling evidence of unpatentability under factor 6. The Board should deny institution under § 314(a).

Dated: July 20, 2023

Respectfully submitted,

/James L. Lovsin/
Bradley J. Hulbert, Reg. No. 30,130
Eric R. Moran, Reg. No. 50,967
James L. Lovsin, Reg. No. 69,550
McDonnell Boehnen Hulbert &
Berghoff LLP
300 South Wacker Drive
Chicago, IL 60606
(312) 913-0001
(312) 913-0002
hulbert@mbhb.com
moran@mbhb.com
lovsin@mbhb.com

Counsel for Patent Owner
Koninklijke KPN N.V.

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), I hereby certify that on July 20, 2023 the foregoing Patent Owner's Sur-Reply to Petitioner's Reply is being served electronically by agreement of the parties, by email to the following counsel of record.

Scott W. Hejny
Nicholas Mathews
McKool Smith, P.C.
300 Crescent Court, Suite 1500
Dallas, Texas 75201
Telephone: 214-978-4000
Fax: 214-978-4044
shejny@McKoolSmith.com
nmathews@mckoolsmith.com

John S. Holley
McKool Smith, P.C.
1999 K Street, NW Suite 600
Washington, DC 20006
Telephone: 202-370-8300
Facsimile: 202-370-8300
jholley@McKoolSmith.com

/James L. Lovsin/
James L. Lovsin
Reg. No. 69,550

Back-up Counsel for
Patent Owner
Koninklijke KPN N.V.