

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ERICSSON INC.

Petitioner

v.

KONINKLIJKE KPN N.V.

Patent Owner

Case IPR2023-00582

U.S. Patent 8,660,560

PATENT OWNER'S PRELIMINARY SUR-REPLY

I. INSTITUTION SHOULD BE DENIED UNDER § 314(a)

As authorized by the Board, Patent Owner Koninklijke KPN N.V. (“Patent Owner”) responds to Petitioner’s Reply (Paper 7, “Reply”). The Reply only confirms that discretionary denial is appropriate. The *Fintiv* factors still favor discretionary denial, and the Petition still fails to present compelling evidence of patentability. Petitioner still refuses to submit a *Sotera* stipulation, which would obviate analysis of the *Fintiv* factors. *See Interim Procedure For Discretionary Denials In AIA Post-Grant Proceedings With Parallel District Court Litigation*, June 21, 2022 (“Interim Procedure”) at 3, 7-8. Similar to other post-Interim Procedure cases in which the Board has denied petitions (including the *Collision* case involving 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

Whether the Board considers the scheduled trial date (April 1, 2024) or the trial date expected based on time-to-trial statistics (January or February, 2024), the

¹ *See 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 (May 4, 2023) (“*Samsung*”) (same); *Ericsson Inc. v. Collision Commc’n, Inc.*, IPR2022-01233, Paper 12 (PTAB Jan. 19, 2023) (“*Collision*”) (same).

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 minimum, almost six full months before the projected year statutory deadline for a final written decision (September 2024). Paper 6 (“POPR”) at 9-10.

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” as scheduled and that “the trial date may change” is speculative and misapplies the Interim Procedure. *Id.*; Interim Procedure, 8-9. There is no evidence that the trial date could slip, and given the significant delta between the projected statutory deadline and trial date, trial will still occur well before any final written decision. Petitioner’s appeal to speculative post-trial motions based on an unrelated case are irrelevant, as this factor focuses solely on the **trial** date. Interim Procedure, 8. The second *Fintiv* factor thus heavily favors discretionary denial. POPR at 10, *Roku*, Paper 11, 10-11; *Samsung*, Paper 10, 16; *Collision*, Paper 12, 12-13.

B. Factor 4: There Is Substantial Overlap Between the 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 now stipulates 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.*,

Amirijoo and 3GPP TR 32.816).” 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* at 13; *see also Samsung* at 19-20; *Collision* at 16; Interim Procedure at 7-8. The stipulation thus fails to ensure that this proceeding would be a “‘true alternative’ to the district court proceeding.” *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 19 (PTAB Dec. 1, 2020) (precedential). At best for Petitioner, this factor weighs “somewhat” against denial. *Roku* at 14; *Samsung* at 19-20; *see also Collision* at 16.

Petitioner has cited no 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 still 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

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.

discretionary denial. Reply, 5.

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

The first *Fintiv* factor is neutral at best. POPR at 9; Reply at 5.

As to the third factor, 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 at 10-12. Petitioner spends most of its Reply disputing the resources that the district court and parties will invest into invalidity issues in the Texas Action before the Board issues its institution decision in September 2023, but the dispute does not “tip[] *Fintiv* factor 3 strongly in favor of institution.” Reply, 2-4. The parties’ dispute on the third factor does not displace the second and fifth factors favoring denial.

Petitioner quotes Patent Owner’s motion to amend infringement contentions (Ex. 1021) out of context—and, worse, ignores its own arguments. Reply at 3-4. Contrary to what it argues here, Petitioner argued to the district court that the parties were already “mid-way through this litigation,” and “more than halfway through discovery.” Ex. 2022 at 2-4. Regardless, the stage of the case at the time of the motion (May 2023) is irrelevant to the court’s and parties’ investment in invalidity issues as of September 2023, the deadline for the institution decision.

E. Factor 6: The Merits of the Petition Are Not Compelling

Petitioner does not explain how the Petition presents “compelling evidence of unpatentability,” which is a substantially higher bar than that required for institution. POPR at 14-15. Instead, the Reply vaguely asserts that “[t]he Petition presents a compelling unpatentability challenge of the ’560 Patent.” Reply, 5. But as explained in the Preliminary Response, there are several fundamental defects in the Petition that warrant denial of institution independent of Fintiv, even under the lower standard for institution. POPR at 22-49.

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. Petitioner has not submitted a *Sotera* 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).

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Respectfully submitted,

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IPR2023-00524

U.S. Patent No. 9,372,098

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §§ 42.6(e)(4), the undersigned certifies that on July 20, 2023, a copy of Patent Owner's Preliminary Sur-Reply was served via email on the following attorneys of record at the below email address, at which Petitioner has consented to email service pursuant to its current Mandatory Notices (Paper 1 at 1):

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