

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CISCO SYSTEMS, INC.,

Petitioner,

v.

NETSOCKET, INC.,

Patent Owner.

Patent No. 7,616,601

Filing Date: December 20, 2001

Issue Date: November 10, 2009

Inventors: Joakim Norrgard, Anders Larsson, and Olov Schelen

Title: NETWORK RESOURCE MANAGER IN A
MOBILE TELECOMMUNICATIN SYSTEM

PATENT OWNER'S PRELIMINARY RESPONSE

Case No. IPR2023-00606

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EXHIBIT LIST

Exhibit No.	Description of Document
2001	Amended Docket Control Order, Dkt. 47, in <i>NetSocket Inc. v. Cisco Systems, Inc.</i> , Case No. 2:22-cv-00172-JRG, dated February 2, 2023
2002	Cisco Systems, Inc.'s P.R. 3-3 Invalidity Contentions and Ineligibility Contentions in v <i>NetSocket Inc. v. Cisco Systems, Inc.</i> , Case No. 2:22-cv-00172-JRG, dated March 22, 2023

I. INTRODUCTION

On February 17, 2023, Cisco Systems, Inc. (“Cisco” or “Petitioner”) submitted a Petition for *Inter Partes* Review (Paper No. 2, “Petition”) of U.S. Patent No. 7,616,601 (Ex. 1001, “the ’601 Patent”), challenging Claims 1-9 pursuant to §§ 311-319 and § 42.100, *et seq.* (“the Challenged Claims”).

The Petition should be denied because the Petitioner has failed to demonstrate a reasonable likelihood that the Challenged Claims are invalid as obvious under 35 U.S.C. § 103(a) based on the prior art references and obviousness grounds set forth in the Petition. The prior art references and obviousness grounds cannot render the Challenged Claims obvious for at least two reasons.

First, none of the cited references disclose or render obvious “communicating resource information between the NRM[Network Resource Manager] and the radio resource manager,” as required by all the Challenged Claims. Petitioner relies only on the Patel-225 prior art reference for this element. Pet. at 53-54. In particular, the Petition identifies the claimed NRM as the Bandwidth Provider 28 of Patel-225. But the Bandwidth Provider 28 of Patel-225 is described as a person – similar to a “travel . . . agent” – or a computer that merely does what a person can do. Neither a person nor a computer (that merely performs actions of a person) can perform the functions of the NRM set forth in the claims. Moreover, the Bandwidth Provider 28 cannot be modified to be the claimed NRM at least because such modifications would not

be practicable or have any expectation of success. Nor has Petitioner explained how the Bandwidth Provider 28 could be modified to meet the claim elements.

Second, none of the cited references disclose or render obvious “communicating resource information between the NRM and the radio resource manager.” Once again, Petitioner only relies on Patel-225 and identifies the “resource manager 26” of Patel-225 as the claimed radio resource manager. However, Petitioner does not identify resource information being communicated between the Bandwidth Provider 28 (the alleged NRM) and the resource manager 26 (the alleged radio resource manager). Without such communication, it is impossible for the prior art or any combination of the prior art to meet this limitation.

Third, the cited references do not disclose or render obvious “end-to-end Quality-of-Service” (QoS). As described in the ’601 Patent, the invention relates to providing end-to-end QoS “through all parts of the network.” Ex. 1001 at Col. 4, ll. 52-53. Petitioner relies on Patel-225 to disclose or render obvious the “end-to-end QoS” limitations; however, Patel-225 is not concerned with providing QoS through all parts of the network and, thus, does not disclose “end-to-end QoS.” Pet. at 23.

These two missing elements in combination are part of the ’601 Patent’s claimed architecture. Furthermore, the art cited by Petitioner is largely duplicative or identical to the art that was of record and the Board should deny this Petition in its discretion under *Fintiv*.

Accordingly, the Board should deny institution.

II. THE '601 PATENT

The '601 Patent is entitled “Network Resource Manager in a Mobile Telecommunication System” and issued on November 10, 2009. The '601 Patent claims priority to U.S. Provisional Patent Application No. 60/231,166, filed on Jan. 16, 2001. At a high level, the '601 Patent is directed to a method and arrangement for providing end-to-end Quality of Service within a mobile telecommunication system. Ex. 1001 at Abstract. The '601 Patent explains that the mobile telecommunications network includes two types of architectures, a network, *e.g.* a Core Network (“CN”) and a Radio Network (“RAN”). One of the objects of the invention is to manage resources across both types of networks in order to provide end-to-end QoS. *Id.* at Col. 1, ll. 18-24.

The '601 Patent achieves the goal of end-to-end QoS by providing a Network Resource Manager (“NRM”) that is in communication with a Radio Resource Manager. Ex. 1001 at Col. 6, ll. 8-23. The '601 Patent describes exemplary functionality of the NRM. *Id.* at Col. 6, ll. 12-23. The NRM is described as computer implemented, either as hardware or software. *Id.* at Col. 6, ll. 26-28.

Additionally, as a further example, an NRM can obtain dynamic awareness of network topology and network characteristics.

The '601 Specification states “The NRMs and the bearer service manager, that controls the radio resources within the wireless part, communicate hence their resource needs between each other through the system in order to obtain end-to-end QoS.” Ex. 1001 at col. 10, ll. 8-11.

III. THE ALLEGED PRIOR ART

Petitioner focuses primarily on Patel-225 to allegedly teach both the claimed Network Resource Manager (“NRM”) and Radio Resource Manager (RRM). However, Patel-225 does not disclose the NRM or RRM as claimed in the '601 Patent. Patel-225 utilizes a “Bandwidth Provider 28” that cannot meet the claims of the '601 Patent. The Bandwidth Provider 28 is not aware of any underlying networks and may not even be software or hardware implemented. In particular, Patel-225 describes the Bandwidth Providers as a person, such as a “travel . . . agent” or “other” human agent. Ex. 1005 at Col. 3, ll. 60-65. One of ordinary skill in the art would have understood that these Bandwidth Providers are expected to be, for example, people “negotiating contracts” and offering “open terms to be negotiated with the consumer.” *Id.* at Col. 6, ll. 2-21. In this regard, the Bandwidth Provider 28 is merely described as brokering transactions and advises regarding admission to a

network. The Bandwidth Provider 28 can perform these human actions via computer implementation, (*e.g.*, *Id.* at Col. 6, ll. 1-2).

Being a person, however, the Bandwidth Provider 28 does not have awareness of network characteristics, nor can Bandwidth Provider 28 have the ability to provide “path-sensitive call admission control,” which is a claimed requirement of the NRM according to Claim 1 of the ’601 Patent. Such capabilities simply cannot be carried out by a human being and the Petitioner provides no explanation as to how the Bandwidth Provider 28 could be modified to achieve this goal, other than by looking at the claims of the ’601 Patent as a road map. And any computer implementation of a Bandwidth Provider 28 is simply taking what a person does and doing it on a computer. This, however, does not change the Bandwidth Provider 28 to something that performs tasks beyond what a person can perform.

Moreover, any attempt to provide the Bandwidth Provider 28 with capabilities of an NRM would be unworkable because of the resulting security and business vulnerabilities. For example, if Network 1 were run by Verizon and Network 2 were run by AT&T, neither network provider would allow their competitor to have visibility into confidential network paths or other information about the network. Permitting a person, like “travel agents,” to have access to network characteristics/information would mean the public dissemination of some of the most sensitive security information. As a result, third-party malicious entities would

have the ability to exploit highly confidential network information. Petitioner does not address any of these security or business conflicts that would result from modifying the Bandwidth Provider 28 of Patel-225 to be the claimed NRM. Accordingly, the Bandwidth Provider 28 of Patel-225 is not an NRM, nor could it ever be modified to be an NRM and the Petition fails.

IV. LEVEL OF ORDINARY SKILL IN THE ART

For the purposes of this Preliminary Response only, Patent Owner utilizes Petitioner's proposed level of ordinary skill in the art: "a bachelor's degree in computer science, computer engineering, electrical engineering, or an equivalent, and two years of experience working with wireless communication systems, including cellular networks that utilize IP-based core networks. Lack of work experience can be remedied by additional education, and vice versa." Pet. at 11.

V. CLAIM CONSTRUCTION

For the purposes of this Preliminary Response only, Patent Owner agrees that claim construction is unnecessary. As discussed below, Petitioner's references fail to disclose or render obvious numerous limitations of the claims.

VI. LEGAL STANDARD

The question of obviousness is resolved on the basis of underlying factual determinations, including: (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, (3) the level of skill

in the art, and (4) where in evidence, so called secondary considerations. *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 17–18 (1966). A claim is only unpatentable under 35 U.S.C. § 103 if “the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.” *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007) (quoting 35 U.S.C. § 103).

“An invention is not obvious simply because all of the claimed limitations were known in the prior art at the time of the invention. Instead, we ask ‘whether there is a reason, suggestion, or motivation in the prior art that would lead one of ordinary skill in the art to combine the references, and that would also suggest a reasonable likelihood of success.’” *Forest Lab’ys, LLC v. Sigmapharm Lab’ys, LLC*, 918 F.3d 928, 934 (Fed. Cir. 2019). “Of course, concluding that the references are within the scope and content of the prior art to be considered for obviousness does not end the inquiry. *Graham* makes clear that the obviousness inquiry requires a determination whether the claimed invention would have been obvious to a skilled artisan.” *Apple Inc. v. Samsung Elecs. Co.*, 839 F.3d 1034, 1051 n.14 (Fed. Cir. 2016).

VII. THE BOARD SHOULD DENY INSTITUTION BECAUSE PETITIONER HAS FAILED TO SHOW A REASONABLE LIKELIHOOD OF SUCCESS FOR ANY OF GROUNDS 1-6

A. The Challenged Claims Are Not Obvious in View of the Proposed Combinations Because the Prior Art Fails to Disclose or Render Obvious “Communicating Resource Information Between the NRM and the Radio Resource Manager”

Petitioner relies primarily on the Patel-225 reference to meet most of the limitations of the Challenged Claims. With regard to limitation 1.7, “communicating resource information between the NRM and the radio resource manager,” Petitioner relies only on Patel-225. Pet. at 53-54. The Petitioner’s mappings are incorrect for two reasons. First, the Petitioner incorrectly maps the NRM and Resource Manger limitations to Patel-225, which precludes the claimed “communicating.” Second, even if Petitioner’s mappings of resource managers were plausible, the claimed “communicating” does not occur in Patel-225.

1. Petitioner Incorrectly Maps the NRM to Bandwidth Provider 28

Petitioner’s mapping of the claimed NRM to Patel’s Bandwidth Provider 28 is incorrect for at least two reason: (1) the claimed NRM is performing functions not capable of being performed by a person, whereas Patel-225’s Bandwidth Provider 28 is described as carrying out functions that a person, such as a “travel agent” could perform; and (2) the claimed NRM must have access to sensitive network information, whereas Patel-225’s Bandwidth Provider 28 would not have access to

such information. As a result, because the Bandwidth Provider 28 is not the claimed NRM and cannot be modified to be the claimed NRM, Petitioner's combination fails.

First, regarding whether the Bandwidth Provider 28 is computer implemented, as set forth above in Section III, the "Bandwidth Provider 28" of Patel-225 is described primarily as a person such as a "travel or other agent." Ex. 1005 at Col. 2, ll. 60-65. For example, Patel-225 characterizes Bandwidth Provider 28 as a "bandwidth provider such as a network or service provider or agent for the network or service provider." Ex. 1005 at Col. 2 ll. 31-34. More specifically, Patel-225 states that Bandwidth Provider 28 may be "an Internet Service Provider (ISP)." *Id.* at Col. 6, ll. 1-3. Petitioner's only alleged support for the proposition that the Bandwidth Provider 28 could be computer implemented is that the Bandwidth Provider 28 could be a "bandwidth broker." Pet. at 36-37, citing to Ex. 1005 at Col. 5, l. 61 – Col. 6, l. 2. Patel-225 subsequently characterizes "bandwidth brokers" as entities that "advertise and display available bandwidth for purchase by consumers." Ex. 1005 at Col. 3, ll. 8-12. Advertising and displaying available bandwidth for purchase merely describe actions that a human being could perform. Indeed, Petitioner cites no plausible evidence from Patel-225 that would support the interpretation that a "Bandwidth Provider 28" would be computer implemented and performing anything more than what a person could do. Petition cites no evidence that the "Bandwidth Provider 28" can perform the specific functionality of the claimed NRM, which is

described as implemented in “software or hardware” in order to achieve such functionality. Because the Bandwidth Provider 28 is not described as having capabilities beyond those that an ordinary human would possess, one of ordinary skill in the art would not have had an expectation of success when attempting to implement the claimed NRM functionality using a Bandwidth Provider. Petitioner’s argument *incorrectly* assumes that, because the “Bandwidth Provider 28” could be computer implemented, that it would be implemented with tasks that cannot be completed by a person, such as the claimed “path sensitive control admission.” But Petitioner has not provided any support that “Bandwidth Provider 28” is configured or can be configured to do more than a person can do.

Second, Claim 1 requires that the NRM be able to perform “path-sensitive call admission control”. Ex. 1001 at Claim 1. Because the Bandwidth Provider 28 is described as a person (travel agent or some other agent), it would be impracticable and completely unrealistic to permit the Bandwidth Provider 28 to have access to the resource information required by the claimed NRM for performing path-sensitive call admission control given the business and security concerns set forth above in Section III. Petitioner provides no explanation for the business and security concerns that would arise from providing a third party with sensitive network information.

Petitioner's motivation to modify Patel-225's Bandwidth Provider 28 into the claimed NRM is summarized on page 38 of the Petition as:

Consistent with the analysis at the preamble [1.0.1] of “providing end-to-end Quality of Service (QoS),” it would have been obvious for Patel-225's bandwidth broker to perform end-to-end admission control, in view of Schelen-1999 and Schelen-1997, **because it would guarantee that sufficient end-to-end IP network bandwidth is reserved for premium QoS.** Ex.1003, ¶169.

Pet. at 38. (emphasis added). Furthermore, Petitioner merely states that it would be obvious and beneficial “for Patel-225's bandwidth broker to use a resource map.”

Pet. at 39. Petitioner does not focus on how one of skill in the art would have modified the Bandwidth Provider 28, but rather Petitioner focuses on a result—guaranteeing sufficient bandwidth. This type of conclusory result-focused statement cannot be sufficient motivation to combine or modify Patel-225. First, Petitioner does not explain how one of ordinary skill in the art would have modified the simple Bandwidth Provider 28 that could be a human travel agent (or computer to perform the actions of such an agent) to be a computer-implemented entity capable of storing and analyzing “Resource maps” and performing “admission control.” Second, Petitioner does not explain how to overcome the security and business concerns associated with providing a third party with sensitive security information.

Accordingly, because Patel-225 does not teach or disclose the claimed NRM, and because Petitioner does not set forth sufficient motivation to combine or modify

the Bandwidth Broker 28 of Patel-225 into the claimed NRM with any reasonable expectation of success, the Petition should be denied in its entirety.

2. Petitioner Does Not Identify any Communication of Resource Information

Even if one of ordinary skill in the art would have been able to overcome the technical limitations, security limitations, and business limitations associated with the Bandwidth Provider 28 of Patel-225, Petitioner fails to identify any “communication of resource information,” as required by the claims and the Petition fails for this additional reason. Petitioner relies only on Column 5, line 25 through Column 6, line 2 of Patel-225 to allegedly teach this limitation. Pet. at 53-54. The citations specified in the Petition make heavy use of ellipses and do not stand for the proposition that any “resource information” is communicated.

Petitioner only relies on a disclosure of “bandwidth and other suitable wireless resources” and asserts that this is the “resource information” being communicated as set forth the claims. Pet. at 53. However, by omitting the full passage from Patel-225, Petitioner takes this language out of context. The full passage states:

One or more bandwidth providers 28 **communicate with the resource managers** 26 of the cellular networks 12 and/or mobile gateways 22 within the cellular networks 12 **to intelligently broker** bandwidth and other suitable wireless resources of the network providers **to third parties** based on time and space considerations such as geo-location of the demand and supply within the networks 12.

Ex. 1005 at Col. 5, ll. 61-67 (emphasis added). This passage states that bandwidth providers 28 communicate with resource managers 26 *to intelligently broker to third parties*. That brokering is occurring says nothing about whether resource information itself (such as bandwidth information) is being communicated. Thus, this passage does not support the position that *resource information* is communicated. Indeed, brokering in the passage from Patel-225 above likely refers to price considerations communicated on behalf of third parties rather than resource information itself. Petitioner provides no explanation as to what “brokering” in Patel-225 means or how third parties may conduct such brokering communications between bandwidth providers and resource managers.

Petitioner states that the resource manager 26 “generates a response based on resource availability, and sends the response.” Pet. at 53-54. However, this statement merely indicates that a response is sent “*based on*” resource availability, not that the resource information is actually communicated. Petitioner also appears to rely on the “SLA” as related to the communication of resource information, this disclosure is similarly insufficient. Petitioner does not explain how an SLA is resource information of the network, merely that it might be formed based on resource information. Even if SLA were resource information, nothing in the passages cited by Petitioner indicate that the SLA is *actually communicated* between bandwidth providers and resource managers, as would be required by the

claims. Instead, the SLA is described as stored only within the Resource Manager 26. Col. 6, l. 49 – Col. 7, l. 17. Thus, Patel-225 never discloses communicating resource information from the “resource manager 26” to any other entity, let alone a third party bandwidth provider 28.

Accordingly, because the Petition does not identify any communication of resource information between the bandwidth broker and resource manager, none of the Petition’s mappings disclose or render obvious any of the Challenged Claims and the Petition should be denied in its entirety.

B. The Challenged Claims Are Not Obvious in View of the Proposed Combinations Because the Prior Art Fails to Disclose or Render Obvious “End-to-End QoS”

Each of the Challenged Claims requires “end-to-end QoS.” Indeed, ensuring end-to-end quality is one objective of the ’601 Patent. Petitioner relies primarily on Patel-225 but provides several illogical leaps to reach “end-to-end QoS.” Petitioner relies primarily on Patel-225’s disclosure that the “wireless communication network 10 supports different class or quality of service (QoS) types such as gold, silver, bronze, premium, assured, and best effort.” Pet. at 23. Notably, this disclosure **does not mention end-to-end QoS.**

Petitioner next engages in a series of method gymnastics. Petitioner extrapolates the disclosure of “different class” to mean a standard known as “differentiated services.” Pet. at 23. Petitioner then extrapolates “differentiated

services” to inherently require end-to-end QoS. Pet. at 23. Petitioner’s expert parrots the same bare lawyer argument in the Petition. Ex. 1003 at paragraph 126. This unsupported expert testimony and corresponding illogical leaps cannot satisfy Petitioner’s burden and end-to-end QoS is not disclosed by the combined teachings. Indeed, if Patel meant to include “Differentiated Services,” or “end-to-end QoS,” Patel would have used that terminology—it did not.

Furthermore, the explicit teachings of Patel-225 make it clear that Patel-225 is not concerned with end-to-end QoS. For example, Patel-225 only states that the portion of the network characterized as the “wireless communication network 10” supports different classes of QoS. This disclosure is consistent with a teaching that Patel-225 is only concerned with small portions of its network and would not require support of end-to-end QoS.

Accordingly, because Petitioner did not identify any teaching or combination to arrive at the QoS term, the Petition should be denied.

**VIII. THE PETITION SHOULD BE DENIED IN THE DISCRETION
OF THE DIRECTOR UNDER 35 U.S.C. § 314(A)**

The circumstances of the parallel District Court Litigation in Texas (*NetSocket, Inc. v. Cisco Systems, Inc.*, No. 2:22-cv-00172-JRG (E.D. Tex.)) necessitate denial of the Petition under the Board’s precedent, as every factor considered in relation to efficiency, fairness, and the merits supports denial. *See*

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11, at 6 (P.T.A.B. Mar. 20, 2020) (precedential) (considering (a) “whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;” (b) “proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;” (c) “investment in the parallel proceeding by the court and the parties;” (d) “overlap between issues raised in the petition and in the parallel proceeding;” (e) “whether the petitioner and the defendant in the parallel proceeding are the same party;” and (f) “other circumstances that impact the Board’s exercise of discretion, including the merits.”). Furthermore, there is no “compelling merit” to Cisco’s Petition that would negate the strong *Fintiv* factors under *Commscope Technologies LLC v. Dali Wireless, Inc.*, IPR2022-01242, Paper 23 (P.T.A.B. Feb. 27, 2023) (precedential).

As set forth below, every *Fintiv* factor demonstrates that efficiency and integrity of the AIA are best served by denying review. First, the Court has not granted a stay and there exists no evidence that it will grant one. Second, trial (set for May 20, 2024) will be complete before the projected statutory deadline for a Final Written Decision in September 2024. Third, the parties have already invested massive resources developing legal and factual issues of validity, and the claim construction will be ongoing before the institution decision on this Petition. Fourth, there is substantial overlap between the Challenged Claims and prior art and those at issue in the parallel proceedings. Fifth, Petitioner and Patent Owner will complete

trial, and receive a judgment on the merits, before the projected statutory deadline for a final written decision. Finally, as shown above, Cisco's obviousness combination fails to disclose important limitations of the claims and merely raises art that is largely similar to art that was of record during prosecution.

Accordingly, the Board should exercise its discretion under § 314(a) and deny the Petition because institution of this proceeding would not be consistent with the objective of the AIA to "provide an effective and efficient alternative to district court litigation." *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8, at 20 (P.T.A.B. Sept. 12, 2018) (quoting *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19, at 16–17 (P.T.A.B. Sept. 6, 2017) (precedential)).

A. No Stay of the Parallel District Court Litigation

Petitioner has not moved to stay the District Court Litigation; moreover, there is no evidence that the District Court would grant such a motion in view of the fact that 5 out of the 7 patents asserted in the Texas Action are not subject to any post-grant proceedings in the PTAB. Accordingly, this factor weighs in favor of discretionary denial.

B. The Board's Written Decision Deadline Will Come Long After the Trial Date

The Texas Court issued its Scheduling Order on February 2, 2023, setting trial for May 2024. Ex. 2001. Pursuant to 35 U.S.C. § 316(a)(11), the projected statutory

deadline for a final written decision is in September 2024, four months later. Even assuming the median 24.5 months to trial in the Eastern District of Texas, which would be July or August 2024, the final written decision is still scheduled to be released after the trial date.

Accordingly, this factor weighs in favor of denying institution. *See Samsung Elecs. Am., Inc. v. Uniloc 2017 LLC*, IPR2019-01218, Paper 7, at 7-10 (P.T.A.B. Jan. 7, 2020) (denying institution where jury selection was scheduled for approximately six months before trial in the Board proceeding would conclude); *Next Caller Inc. v. TrustID, Inc.*, IPR2019-00961, -00962, Paper 10, at 8-16 (P.T.A.B. Oct. 16, 2019) (denying institution where trial was scheduled to conclude “several months,” before a final decision would be due); *Cisco Sys., Inc. v. Ramot at Tel Aviv Univ. Ltd.*, IPR2020-00122, Paper 15 at 8 (P.T.A.B. May 15, 2020) (“Because the trial date is substantially earlier than the projected statutory deadline for the Board’s final decision, this factor weighs in favor of discretionary denial.”).

C. Significant Investment by the Time of Institution Favors Discretionary Denial

The parties’ investment in the parallel proceeding weighs in favor of discretionary denial. Significant work in the District Court Litigation has already taken place and claim construction briefing will begin around the time of the Board’s institution decision in September 2023.

Pursuant to 35 U.S.C. § 314(b), the Board will issue an institution decision in September 2023. The parties have already served both infringement and invalidity contentions. These substantial investments, including a significant investment in validity, infringement contentions, and discovery, show that this factor weighs heavily against institution.

Thus, the parties' and the Eastern District of Texas's substantial investments strongly weigh in favor of discretionary denial. *See Supercell Oy v. Gree, Inc.*, IPR2020-00513, Paper 11 at 12 (P.T.A.B. June 24, 2020) (denying institution where the district court issued its order on claim construction, fact discovery had closed, parties had served opening expert reports, and "the work already completed by the parties and the court in the parallel proceeding are facts underlying this factor that collectively weigh strongly in favor of denying institution").

Accordingly, this factor weighs in favor of denial.

D. The District Court Litigation Involves the Same Claims and the Same Arguments

The Asserted Claims in the District Court Litigation and the Challenged Claims in this Petition overlap: Claim 1 is asserted in the District Court Litigation and has been challenged here.

Moreover, Petitioner's invalidity contentions, served on March 22, 2023, set out substantially the same arguments to those of the Petition. For example, the

invalidity contentions allege the same prior art alleged in the Petition: Patel-225, Patel-764, Patel-185, Patel-624 (referred to as “Dantu” in the Contentions), and Degermark invalidates the claims of the ’601 Patent. Ex. 2002 at 7. “[I]f the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial.” *Fintiv*, IPR2020-00019, Paper 11 at 12. As the Board has noted, when both the District Court and the Board will consider the same prior art and arguments, “concerns of inefficiency and the possibility of conflicting decisions [are] particularly strong.” *Id.* The likelihood of inefficiency and conflicting decisions is particularly significant in this case: the Texas Court will have conducted a claim construction hearing more than a month before the statutory deadline for an institution decision, and the case will have reached a final jury verdict on validity with trial beginning May, 2024, months before the statutory deadline for a Final Written Decision.

This factor accordingly favors discretionary denial.

**E. The Parallel District Court Litigation and the Petition
Involve the Same Parties**

As noted above, the Texas Action is between the same parties. Cisco makes no argument as to this factor. Accordingly, this factor weighs in favor of discretionary denial.

F. Other Circumstances Favor Denial of Institution

As shown above, Cisco fails to show that key limitations are disclosed or rendered obvious by its combinations. As such, it lacks strength on the merits.

Furthermore, the material set forth in the references cited by Petitioner was squarely within the prior art that was already of record and considered by the Office. Petitioner failed to address any of the *Becton Dickinson* factors, such as the similarities and differences between the asserted art and the prior art involved during examination. Petitioner admits that “the Schelen Thesis, which was before the examiner, has some overlap in subject matter with the disclosure of Schelen-1999, Schelen-1997, and Degermark.” Pet. at 85. Indeed, this overlap is reasonable considering the common author and timeframe. However, Petitioner’s blanket statement that “the relevant teachings and the evidence were not considered as presented herein” is insufficient to satisfy Petitioner’s burden under 325(d). Petitioner’s failure to address any of the substantive facts of the references in the context of 325(d) should be fatal to its Petition. At the very least, the similarities in subject should preclude any finding that the Petition provides “compelling merit.”

Considering all factors together, the Petition should be denied in the Director’s discretion under 35 U.S.C. § 314(a).

IX. CONCLUSION

For the foregoing reasons, Patent Owner respectfully requests that the Board deny institution of the Petition in its entirety.

Respectfully submitted,

Dated: June 28, 2023

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CERTIFICATE OF WORD COUNT

The undersigned hereby certifies that the portions of the above-captioned PATENT OWNER'S PRELIMINARY RESPONSE TO PETITION FOR *INTER PARTES* REVIEW OF U.S. PATENT NO. 7,616,601 specified in 37 C.F.R. § 42.24 has 4,815 words in compliance with the 14,000 word limit set forth in 37 C.F.R. § 42.24. This word count was prepared using Microsoft Word for Office 365.

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CERTIFICATE OF SERVICE

A copy of PATENT OWNER'S PRELIMINARY RESPONSE TO PETITION FOR *INTER PARTES* REVIEW OF U.S. PATENT NO. 7,616,601 and EXHIBITS 2001-2002 have been served on Petitioner's counsel of record as follows:

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