UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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NOKIA OF AMERICA CORPORATION,

Petitioner

v.

ALEXANDER SOTO AND WALTER SOTO,

Patent Owners

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Case: IPR2023-00681

U.S. Patent No. 10,263,723

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**PETITIONER'S *FINTIV* UPDATE AND ARGUMENTS**

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**Statutes**

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**LIST OF EXHIBITS**

| Exhibit | Short Name | Description |
|---|---|---|
| Ex. 1001 | ’723 Patent | U.S. Patent No. 10,263,723 |
| Ex. 1002 | ’723 File History | File History of U.S. Patent No. 10,263,723 |
| Ex. 1003 | Prucnal Declaration | Declaration of Dr. Paul Prucnal |
| Ex. 1004 | Prucnal CV | *Curriculum Vitae* of Dr. Paul Prucnal |
| Ex. 1005 | Agazzi ’640 | U.S. Patent No. 6,879,640 |
| Ex. 1006 | Wei | U.S. Patent No. 6,873,800 |
| Ex. 1007 | | [Reserved] |
| Ex. 1008 | Eroz | U.S. Patent No. 7,020,829 |
| Ex. 1009 | Agazzi ’341 | U.S. Patent No. 7,933,341 |
| Ex. 1010 | Jiang | U.S. Patent No. 6,665,498 |
| Ex. 1011 | Liu | U.S. Patent No. 6,005,694 |
| Ex. 1012 | Poplawski | U.S. Patent No. 5,879,173 |
| Ex. 1013 | Lavoie | Renaud Lavoie, *The Evolution of the Pluggable Module*, Broadcast Engineering (2012) |
| Ex. 1014 | SFP MSA | SFF Committee, INF-8074i Specification for SFP (Small Formfactor Pluggable) Transceiver, Rev. 1.0 (May 12, 2001) |
| Ex. 1015 | Leon-Garcia | Alberto Leon-Garcia & Indra Widjaja, *Communication Networks Fundamental Concepts and Key Architectures* (2000) |

| Exhibit | Short Name | Description |
|---|---|---|
| Ex. 1016 | Ramaswami | Rajiv Ramaswami & Kumar Sivarajan, *Optical Networks: A Practical Perspective* (2d ed. 2002) |
| Ex. 1017 | Senior | John Senior, *Optical Fiber Communications: Principles and Practice* (1985) |
| Ex. 1018 | Papadias | C. B. Papadias & D. T. M. Slock, *On the Decision-Directed Equalization of Constant Modulus Signals*, Proceedings of 1994 28th Asilomar Conference on Signals, Systems and Computers, Pacific Grove, CA, USA, pp. 1423-1427, Vol. 2 (1994) |
| Ex. 1019 | Feldman | U.S. Patent No. 6,295,272 |
| Ex. 1020 | Martin | Martin P. Clark, *Wireless Access Networks: Fixed Wireless Access and WLL Networks—Design and Operation* (2000) |
| Ex. 1021 | Wicker | Stephen Wicker & Vijay Bhargava, *Reed-Solomon Codes and Their Applications* (1994) |
| Ex. 1022 | | [Reserved] |
| Ex. 1023 | ’795 Patent | U.S. Patent No. 9,887,795 |
| Ex. 1024 | ’795 File History | File History of U.S. Patent No. 9,887,795 |
| Ex. 1025 | | [reserved] |
| Ex. 1026 | | [reserved] |
| Ex. 1027 | DCO | Doc. No. 58, Docket Control Order, *NextGen Innovations, LLC v. Fujitsu Network Communications, Inc. et al.*, No. 2:22-cv-00307-JRG-RSP (E.D. Tex.) (consolidated cases) |

| Exhibit | Short Name | Description |
|---|---|---|
| Ex. 1028 | | [Reserved] |
| Ex. 1029 | | [Reserved] |
| Ex. 1030 | Caseload | U.S. District Court – Judicial Caseload Profile (Sept. 2022) |
| Ex. 1031 | 723 Patent Infringement Contentions | NextGen's Infringement Contentions Against Petitioner for the '723 Patent in *NextGen Innovations, LLC v. Nokia of America Corporation et al.*, No. 2:22-cv-00309-JRG-RSP (E.D. Tex.) |
| Ex. 1032 | 488 Spec | U.S. Provisional Application No. 60/480,488 |
| Ex. 1033 | Samueli | Henry Samueli, Jeffrey Putnam, Mehdi Hatamian, *QAM-Based Transceiver Solutions for Full-Duplex Gigabit Ethernet Over 4 Pairs of UTP-5 Cable*, Broadcom Corporation Presentation (Nov. 1996) |
| Ex. 1034 | Stevens Declaration | Declaration of M. Scott Stevens dated September 14, 2023 |
| Ex. 1035 | Consolidation Order | NextGen Innovations, LLC v. Fujitsu Network Communications, et al., No. 2:22-cv-00307-JRG-RSP (lead case), Dkt. No. 22 (E.D. Tex. Oct. 21, 2022) |
| Ex. 1036 | Hearing Transcript | Nokia of America Corporation v. Soto et al., IPR2023-00960, Ex. 2004 (PTAB Aug. 29, 2023) |
| Ex. 1037 | PTAB Order | Nokia of America Corporation v. Soto et al., IPR2023-00960, Paper 8 (PTAB Aug. 26, 2023) |
| Ex. 1038 | | [Reserved] |

| Exhibit | Short Name | Description |
|---|---|---|
| Ex. 1039 | Infinera Case Stayed | *NextGen Innovations, LLC v. Infinera Corporation*, 2:22-cv-00306 (consolidated in lead case 2:22-cv-00307), Dkt. No. 392 (E.D. Tex. Mar. 21, 2024) |
| Ex. 1040 | Infinera Case Stay Extended | *NextGen Innovations, LLC v. Infinera Corporation*, 2:22-cv-00306 (consolidated in lead case 2:22-cv-00307), Dkt. No. 411 (E.D. Tex. Mar. 21, 2024) |
| Ex. 1041 | Fujitsu Case Stayed | *NextGen Innovations, LLC v. Fujitsu Network Communications, Inc., et al.*, 2:22-cv-00307, Dkt. No. 242 (E.D. Tex. Jan. 15, 2024) |
| Ex. 1042 | Fujitsu Case Dismissed | *NextGen Innovations, LLC v. Fujitsu Network Communications, Inc., et al.*, 2:22-cv-00307, Dkt. No. 339 (E.D. Tex. Mar. 1, 2024) |
| Ex. 1043 | AT&T I Case Motion to Stay | *NextGen Innovations, LLC v. AT&T Services, Inc., et al.*, 2:22-cv-00308, (consolidated in lead case 2:22-cv-00307), Dkt. No. 406 (E.D. Tex. Mar. 29, 2024) |
| Ex. 1044 | AT&T I Case Stayed | *NextGen Innovations, LLC v. AT&T Services, Inc., et al.*, 2:22-cv-00308, (consolidated in lead case 2:22-cv-00307), Dkt. No. 407 (E.D. Tex. Mar. 29, 2024) |
| Ex. 1045 | AT&T I Case Stay Extended | *NextGen Innovations, LLC v. AT&T Services, Inc., et al.*, 2:22-cv-00308, (consolidated in lead case 2:22-cv-00307), Dkt. No. 413 (E.D. Tex. May 2, 2024) |
| Ex. 1046 | Nokia I Case Deconsolidated from Fujitsu Case | *NextGen Innovations, LLC v. Nokia of America Corporation et al.*, 2:22-cv-00309 (consolidated in lead case 2:23-cv-00637), Dkt. No. 252 (E.D. Tex. Jan. 30, 2024) |

| Exhibit | Short Name | Description |
|---|---|---|
| Ex. 1047 | Nokia I Case Consolidated into Nokia II Case | *NextGen Innovations, LLC v. Nokia of America Corporation et al.*, 2:23-cv-00637, Dkt. No. 15 (E.D. Tex. Jan. 30, 2024) |
| Ex. 1048 | Nokia II Case Scheduling Conference Set | *NextGen Innovations, LLC v. Nokia of America Corporation et al.*, 2:23-cv-00637, Dkt. No. 17 (E.D. Tex. Apr. 17, 2024) |
| Ex. 1049 | AT&T II Case Stayed | *NextGen Innovations, LLC v. AT&T Services, Inc. et al.*, 2-23-cv-00263, Dkt. No. 50 (E.D. Tex. Apr. 2, 2024) |
| Ex. 1050 | AT&T II Case Stay Extended | *NextGen Innovations, LLC v. AT&T Services, Inc. et al.*, 2-23-cv-00263, Dkt. No. 52 (E.D. Tex. May 2, 2024) |
| Ex. 1051 | Cisco Case Stayed | *NextGen Innovations, LLC v. Cisco Systems, Inc.*, 2-24-cv-00092, Dkt. No. 20 (E.D. Tex. Mar. 21, 2024) |
| Ex. 1052 | Cisco Case Stay Extended | *NextGen Innovations, LLC v. Cisco Systems, Inc.*, 2-24-cv-00092, Dkt. No. 22 (E.D. Tex. Apr. 17, 2024) |
| Ex. 1053 | Nokia II Complaint | *NextGen Innovations, LLC v. Nokia of America Corporation et al.*, 2:23-cv-00637, Dkt. No. 1 (E.D. Tex. Dec. 29, 2023) |
| Ex. 1054 | AT&T II Motion to Stay | *NextGen Innovations, LLC v. AT&T Services, Inc. et al.*, 2-23-cv-00263, Dkt. No. 49 (E.D. Tex. Mar. 29, 2024) |
| Ex. 1055 | Nokia Motion to Deconsolidate/ Consolidate | *NextGen Innovations, LLC v. Nokia of America Corporation et al.*, 2:22-cv-00309 (consolidated in lead case 2:23-cv-00637), Dkt. No. 241 (E.D. Tex. Jan. 15, 2024) |

## I. INTRODUCTION

Discretionary denial under § 314(a) is unwarranted. The May 2024 trial setting has been vacated and has not yet been reset (the parties expect to be notified of the new trial date on May 29, 2024). Petitioner expects the new trial date to be scheduled for no earlier than 4th quarter 2025. In contrast, the institution decision date is no later than September 2024—over a year earlier.

## II. UPDATES IN RELATED CASES INVOLVING THIRD PARTIES

***NextGen Innovations, LLC v. Fujitsu Network Communications, Inc., et al.*, 2:22-cv-00307 (E.D. Tex.):** On January 15, 2024, the court granted a Joint Motion to Stay all Deadlines through February 12, 2024 for the parties to file dismissal papers. Ex. 1041. On March 1, 2024, the court granted a Dismissal Motion. Ex. 1042.

***NextGen Innovations, LLC v. Infinera Corporation*, 2:22-cv-00306 (E.D. Tex.)**: On March 21, 2024, the court granted a Joint Motion to Stay all Deadlines through April 18, 2024 for the parties to file dismissal papers. Ex. 1039. On April 17, 2024, the court extended the stay through May 20, 2024. Ex. 1040.

***NextGen Innovations, LLC v. AT&T Services, Inc., et al.*, 2:22-cv-00308 & 2:23-cv-00263 (E.D. Tex.):** On March 29, 2024, the parties moved to stay all deadlines to file dismissal papers (Exs. 1043, 1054), which the court granted (Exs. 1044, 1049). The court extended the stay through May 29, 2024. Exs. 1045, 1050.

***NextGen Innovations, LLC v. Cisco Systems, Inc.*, 2-24-cv-00092 (E.D.**

**Tex.):** On March 21, 2024, the court granted a Joint Motion to Stay all Deadlines for 30 days for the parties to file dismissal papers. Ex. 1051. On April 17, 2024, the court extended the stay through May 20, 2024. Ex. 1052.

## III. UPDATES IN RELATED CASES INVOLVING JUST NOKIA

***NextGen Innovations, LLC v. Nokia of America Corporation et al.*, 2:22-cv-00309 (now consolidated with lead case 2:23-cv-00637) (E.D. Tex.) ("*Nokia I Case*"):** This is the action in which NextGen asserts the subject '723 Patent. On January 15, 2024, NextGen and Nokia jointly moved to deconsolidate this action from the cases involving the other defendants, to vacate the May 2024 trial setting, and to consolidate it with the *Nokia II Case*. Ex. 1055. On January 30, 2024, the court granted the joint motion, vacated the trial setting, and consolidated the action with the *Nokia II Case*. Exs. 1046, 1047.

***NextGen Innovations, LLC v. Nokia of America Corporation et al.*, 2:23-cv-00637 (E.D. Tex.) ("*Nokia II Case*"):** On December 29, 2023, NextGen filed a second action against Nokia. Ex. 1053. On January 30, 2024, the court granted an Unopposed Motion to Consolidate *Nokia I* with the *Nokia II Case*. Ex. 1047. On April 17, 2024, the court set a scheduling conference for May 29, 2024. Ex. 1048.

## IV. ARGUMENT

Petitioner's *Fintiv* arguments for factors 1, 4, and 5 remain unchanged. *See* Paper 1, 70-74. Petitioner's updated *Fintiv* arguments are below.

Factor 2—district court trial date—strongly favors institution. As described in *CommScope*, the Board uses the statutory deadline as it existed at the time of the original institution decision when evaluating *Fintiv* after a remand. *CommScope Techs. LLC v. Dali Wireless, Inc.*, IPR2022-01242, Paper 24 at 52 (PTAB Feb. 27, 2023) ("[I]t would be anomalous to discretionarily deny institution solely based on a statutory due date that did not exist at the time of the original decision, but was subsequently created due to review and remand."). No trial date has been set, the scheduling conference is not until May 29, 2024, and the expectation is that trial will be set no earlier than Q4 2025 or Q1 2026. NextGen also filed the *Nokia II Case* in December 2023 (Ex. 1053), which further delays a trial involving this patent. Regardless, the median time to trial for civil actions in the Eastern District of Texas is 21.0 months (Ex. 1030, 35). This gives a trial date of no earlier than September 29, 2025—well beyond the final written decision date (based on the original institution date) and after the likely decision date on remand. *See* Paper 19.

Factor 3—investment in district court proceedings—weighs heavily against denial. Petitioner diligently prepared this Petition and filed in March 2023. As of the original institution decision, the court had not issued any substantive orders or held a claim construction hearing, fact discovery was ongoing, and expert discovery had not begun. Ex. 1027; *Apple v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 9-12 (PTAB Mar. 20, 2020). Regardless, even if the Board uses the new expected institution date

(which contradicts *CommScope*), the parties have not, and will not, complete expert discovery on the '723 Patent until expert discovery resumes in the *Nokia II Case*, which itself will not begin until well after the latest possible remand institution date.

Factor 6—other considerations—strongly weighs against denial. The merits of the Petition are strong, and the claims are unpatentable. As the Director confirmed, none of the grounds asserted herein were previously considered by either the Office or the district courts. *See* Paper 18; *Cf. Comcast Cable Commn's, LLC v. Rovi Guides, Inc.*, IPR2019-00231, Paper 14 at 11 (PTAB May 20, 2019) (obviousness challenges not "previously considered by the Office or any court" weigh in favor of not denying institution). Institution of this IPR also provides the opportunity for narrowing and simplifying the litigation for the district court. Moreover, the Board previously granted institution of IPR2023-00960—an IPR filed three months after this Petition on another patent asserted by Patent Owners against Petitioner in the *Nokia I Case*. The Board, therefore, would contradict its prior institution decision should it deny institution under *Fintiv* here.

In meet and confers, Patent Owners voiced that they would either withdraw the *Fintiv* arguments or, if not, may modify their arguments to suggest that (1) (allegedly) there are no other third parties who have a continued interest in this IPR and (2) Petitioner and Patent Owners have (allegedly) significantly progressed towards a settlement. Both positions are untrue and irrelevant to the *Fintiv* analysis.

First, Petitioner has a strong interest in this IPR as it is a current defendant. Moreover, to the extent Patent Owners suggest that this IPR will not affect any third parties, Petitioner respectfully suggests that position would be a knowing concealment of other pertinent facts. Petitioner has been led to believe that NextGen or its agents have already sent threat/demand letters involving the '723 Patent to additional companies and likely intend to initiate another wave of litigation.[1]

Second, Petitioner and Patent Owners have not progressed materially in any settlement negotiations. Regardless, the presence or lack of settlement discussions should have no bearing on the Board's *Fintiv* analysis. *BMW of North America, LLC v. Michigan Motor Tech., LLC*, IPR2023-01233, Paper 11 at 13 (PTAB Feb. 9, 2024) ("Even if the parties are engaged in settlement discussions, we do not find this fact as weighing for or against discretionary denial.").

## V. CONCLUSION

Petitioner respectfully requests institution of this Petition and cancellation of the Challenged Claims.

Date: May 8, 2024

By: / *M. Scott Stevens* /
M. Scott Stevens, Reg. No. 54,762

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[1] If Patent Owners disagree, Petitioner invites Patent Owners to submit a signed declaration that Patent Owners, or NextGen, have not sent any demand letters, or had their attorneys send demand letters, to parties they have yet to sue.

## CERTIFICATE OF SERVICE

The undersigned certifies that Petitioner served a copy of the foregoing PETITIONER'S FINTIV UPDATE AND ARGUMENTS by filing this document through the P-TACTS Filing System as well as sending a copy via electronic service (as agreed by counsel for Patent Owners) on the following:

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