UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NOKIA OF AMERICA CORPORATION,
Petitioner,

v.

ALEXANDER SOTO AND WALTER SOTO,
Patent Owners.

Case IPR2023-00682
U.S. Patent No. 10,771,181

PATENT OWNERS' UPDATE REGARDING INTERVENING DEVELOPMENTS AFFECTING INSTITUTION

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TABLE OF AUTHORITIES

CASES

Apple Inc. v. Fintiv, Inc.,
IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020)..... 2, 3, 4, 5

NHK Spring Co. v. Intri-Plex Techs., Inc.,
PR2018-00752, Paper 8 (PTAB Sept. 12, 2018)..... 2

STATUTES

MPEP § 2143.02 1

Patent Owners' Exhibit List

Exhibit	Description
2001	Public file history of application 11/772,187
2002	Public file history of application 12/512,968
2003	U.S. Pub. No. 2007/0031153 to Aronson et al.
2004	U.S. Pub. No. 2002/0181895 to Gilliland et al.
2005	U.S. Pub. No. 2001/0035997 to Agazzi ("Agazzi '997")
2006	Comparison of Excerpted Figures from Agazzi '997 (Ex. 2005) and Agazzi '341 (Ex. 1009)
2007	Email chain from Petitioner's counsel to Patent Owners' counsel regarding real party-in-interest discovery.
2008	Reserved
2009	Reserved
2010	Chain of Emails Between Counsel for Nokia and Special Appearance Counsel for Patent Owners, Redacting the Username and Password, Exhibit from *Nokia of Am. Corp. v. Alexander Soto and Walter Soto*, IPR2023-00960.
2011	Chain of emails between Infinera's counsel and Patent Owners' counsel regarding discovery, Exhibit from *Infinera Corp. v. Alexander Soto and Walter Soto*, IPR2023-00834.
2012	Chain of emails providing authorization from the Board for supplemental arguments and exhibits
2013	Consolidation Order from *NextGen Innovations, LLC v. Nokia of Am. Corp.*, 2:23-cv-00637-JRG-RSP (E.D. Tex. Jan 30, 2024)
2014	Order for Scheduling Conference from *NextGen Innovations, LLC v. Nokia of Am. Corp.*, 2:23-cv-00637-JRG-RSP (E.D. Tex. Apr. 17, 2024)
2015	Memorandum Regarding: *Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings With Parallel District Court Litigation*

2016	Joint Motion to Stay All Deadlines and Notice of Resolution (with AT&T) from *NextGen Innovations, LLC v. Fujitsu Network Communications, Inc.*, No. 2:22-cv-00307-JRG-RSP (E.D. Tex. Mar. 29, 2024)
2017	Chain of emails between counsel for the parties, with Patent Owner seeking permission to file excerpts of expert report and Petitioner denying permission.
2018	U.S. Pat. No. 7,206,366 to Fujimori et al.
2019	Chain of emails between counsel for Patent Owners and counsel for Nokia regarding extensions in view of settlement in IPR2023-00960.

Patent Owners provide this update regarding intervening events that further support denying institution. *See* Ex. 2012 (authorizing this filing).

After the Board denied institution, the parties continued to diligently prepare the related court Case 2:22-cv-00309 for trial. While the parties were preparing rebuttal expert reports, the parties also continued settlement discussions and agreed it would be more efficient to consolidate the case with the later-filed Case 2:23-cv-00637. *See* Ex. 2013 (granting consolidation). This allowed the parties time to further explore settlement. *See* Ex. 2019 (extending deadlines in related IPR for same reason). The scheduling conference is scheduled for May 29, 2024, and it is expected that the Court will set a trial date at the time. Ex. 2014.

I. Petitioner improperly withholds its contradictory expert report

The Petition argues that the claimed invention was obvious. In litigation, however, Petitioner's IPR expert, Dr. Prucnal, provided the contradictory opinion that the claimed invention was not enabled because a POSITA would not know how to make the claimed m-ary transceiver fit in a pluggable form factor. *See* Paper 16 at 4–5 (Petitioner admits Dr. Prucnal opines that the "Patent failed to properly enable the small-form pluggable described in the claims" to a POSITA). If a POSITA could not build the claimed technology, as Dr. Prucnal opines in litigation, then it could not have been obvious for that POSITA to make or use it by combining the multiple references asserted in the Petition. *See, e.g.*, MPEP § 2143.02 ("Reasonable

Expectation of Success Is Required"). The Board should hold this against Petitioner.

Petitioner hides Dr. Prucnal's opinions from the Board. Patent Owners sought permission, as required by the Court's Protective Order, to provide the Prucnal report to the Board because Petitioner designated Dr. Prucnal's report confidential. Petitioner denied permission, likely because it cannot explain how a purportedly impossible-to-build invention is obvious to make. Ex. 2017.

Petitioner refused permission because Patent Owners previously objected to its unilateral submission at the director review stage. Back then, Patent Owners objected because Director Vidal ordered that no further evidence could be submitted for director review. *See* Ex. 3102 at 3; Paper 13 at 2. But now, this Update was authorized to allow Patent Owners to submit "any relevant evidence . . . affecting institution." Ex. 2012 at 2. Dr. Prucnal's litigation opinion, which were not available when the Preliminary Response was submitted, is highly relevant, intervening evidence affecting institution.

II. *NHK-Fintiv* analysis leads to denying institution

Director Vidal's memo explains how *NHK Spring* and *Fintiv* are concerned with "inefficiency" and "seek to avoid duplicative efforts" between the Board and a court. Ex. 2015 at 1, 6; *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential). This IPR exemplifies such

inefficiency. If the parties settle soon, as they are attempting to work towards, the work of the Board in addressing this IPR will be wasted. Moreover, even though the trial date has been delayed (to facilitate settlement talks and discovery related to other patents), the litigation related to the patent-in-suit remains close to complete, with only rebuttal expert reports and adjudication remaining. This IPR is a large amount of duplicative work, particularly for a soon-to-expire patent.

For *Fintiv* factor 1 (likelihood of a stay), the analysis remains unchanged.

For *Fintiv* factor 2 (proximity to trial), unique developments have made this factor too speculative to receive weight. No trial date is yet set for the reconsolidated case, but the litigation remains effectively on the eve of trial for the patent-at-issue. The only remaining pre-trial tasks for the patent-at-issue is completion of expert discovery and pre-trial motions.

Additionally, a potential final written decision will not issue before the challenged patent expires, which will occur in about 1 month. Ex. 1001, cover (20 years from the June 10, 2004 priority date). In other words, the general public can wait about one month from now before practicing the technology. A final written decision in a year's time will have a significantly lesser impact for the public than it would if the patent were not to expire so soon. Nokia's argument from related IPR2023-00960 that co-defendant AT&T will be interested in the final written

decision no longer applies because Patent Owners have reached a settlement in principle with AT&T. Ex. 2016.

Fintiv factor 3 (investment in parallel proceedings) heavily favors denial of institution. As explained above, all that remains in Case 2:22-cv-00309 after about one and a half years of litigation is rebuttal reports, pretrial motions, and trial. Instituting IPR will wastefully duplicate these litigation efforts.

Fintiv Factor 4 (overlap of the issues) now more strongly favors denial. Petitioner served an expert report by Dr. Prucnal in litigation that, as Patent Owners anticipated, circumvents Nokia's craftily worded stipulation to the Board that it would not use "the specific combination of prior art references set forth … in this Petition." Petition at 73. In litigation, Dr. Prucnal argues for obviousness using the same Agazzi '640, Agazzi '341, Wei, Gans, and Eroz references from the Petition. But to circumvent Petitioner's stipulation, Dr. Prucnal offers substantially similar arguments, including using Agazzi '640 in combination with the Poplawski (Ex. 1012) or Fujimori (Ex. 2018) reference, instead of the Wei (Ex. 1006) reference. Poplawski and Fujimori, like Wei, are merely used as interchangeable evidence that standard form factors existed. Petitioner is effectively making the same arguments at trial that it makes in the Petition, hoping that one adjudicative body agrees with it. Thus, instituting IPR will wastefully duplicate efforts between the litigation and this proceeding.

The analysis of *Fintiv* Factor 5 (same parties) remains unchanged.

Fintiv factor 6 (all other circumstances, including merits) now heavily favors denial because its argument lacks merit, as explained in sections I and III herein.

III. The Board's reasoning for non-institution can easily be clarified

The Director's decision orders the Board to clarify its institution decision. Paper 18. The Board's decision denying institution was correct: this IPR is like previously asserted petitions attempting to fit Brede's big line card into a small, pluggable form factor without improper hindsight. Paper 10 at 21. Petitioner's reply (Paper 16) offered no explanation of how Wei's halve-and-stack technique can make Agazzi's devices, which have 64 or 128-pin interfaces and 16 parallel paths, fit into a 20-pin, 2W pluggable form factor with only 4 data pins. *See* Paper 14 at 1–6 (explaining this problem with the proposed combination).

On remand, the Board need only clarify this one point. Previous petitions failed to explain how to fit Brede's 23-inch, 181W, 64-pin line card into a pluggable form factor. Similarly, the Petition does not explain how Wei's halving-and-stacking technique, or how the use of ICs, allows a POSITA to fit a large Agazzi line card (with 64 or 128 data pins and 16 parallel paths) into the 4 data pin, 2W, SFP form factor of Wei. This is especially true when the same expert opines that a POSITA did not know how to fit even one path in a pluggable form factor, much less 16 paths.

Respectfully submitted,

Dated: May 8, 2024

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CERTIFICATE OF COMPLIANCE WITH TYPE-VOLUME LIMITS

This paper is 5 pages or less, excluding table of contents, table of authorities, certificate of service, signature block, this certificate, or table, which is in compliance with Exhibit 2012.

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CERTIFICATE OF SERVICE (37 C.F.R. § 42.6(e)(1))

The undersigned hereby certifies that the above document was served on May 8, 2024, by filing this document through the P-TACTS system as well as delivering a copy via electronic mail upon the following attorneys of record for the Petitioner:

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