

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: IPR2023-00960

U.S. Patent No. 8,238,754

PETITIONER'S RESPONSE TO SHOW CAUSE ORDER

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LIST OF EXHIBITS

Exhibit	Short Name	Description
Ex. 1001	'754 Patent	U.S. Patent No. 8,238,754
Ex. 1002-1	'754 File History	File History of U.S. Patent No. 8,238,754
Ex. 1002-2	'514 File History	File History of U.S. Patent Application No. 60/886,514
Ex. 1003	Prucnal Declaration	Declaration of Dr. Paul Prucnal
Ex. 1004	Prucnal CV	<i>Curriculum Vitae</i> of Dr. Paul Prucnal
Ex. 1005	Shraga	U.S. Patent No. 6,697,374
Ex. 1006	Wood	U.S. Patent No. 7,088,921
Ex. 1007	Togami	U.S. Patent No. 6,439,918
Ex. 1008	Fujimori	U.S. Patent No. 7,206,366
Ex. 1009	Liu	U.S. Patent No. 6,005,694
Ex. 1010	Starr Declaration	Declaration of Thomas J. J. Starr
Ex. 1011-1	G.984.3 Draft Recommendation	ITU-T Study Group 15, Temporary Document 7, Draft new Recommendation G.984.3 – Transmission Convergence Layer for Gigabit Passive Optical Networks
Ex. 1011-2	Contribution 104	ITU-T Study Group 15, Contribution 104, Draft new Recommendation G.984.3 – Transmission Convergence Layer for Gigabit Passive Optical Networks
Ex. 1012	OKI Article	<i>SFF & SFP Optical Transceivers</i> , OKI Technical Review Issue 190, Vol. 69, No. 2 (April 2002)
Ex. 1013	Ramaswami	Rajiv Ramaswami & Kumar Sivarajan, <i>Optical Networks, A Practical Perspective</i> (2d ed. 2002)

Exhibit	Short Name	Description
Ex. 1014	Kramer IEEE	Glen Kramer & Gerry Pesavento, <i>Ethernet Passive Optical Network (EPON): Building a Next-Generation Optical Access Network</i> , IEEE Communications Magazine (February 2002)
Ex. 1015	Kazi	Khurram Kazi, <i>Optical Networking Standards, A Comprehensive Guide for Professionals</i> (2006)
Ex. 1016	SFP MSA	SFF Committee, INF-8074i Specification for SFP (Small Formfactor Pluggable) Transceiver, Rev. 1.0, May 12, 2001).
Ex. 1017	XFP MSA	10G small form factor pluggable, XFP Revision 4.5 (initial publication March 2002)
Ex. 1018	XENPAK MSA	INF-8474i Specification for Xenpak 10 Gigabit Ethernet Transceiver, Rev. 3.0, September 18, 2002 (publicly announced March 12, 2001)
Ex. 1019	Kramer OSA	Glen Kramer, et al., <i>Supporting differentiated classes of service in Ethernet passive optical networks</i> , Journal of Optical Networking, Vol. 1, Nos. 8 & 9 (August & September 2002)
Ex. 1020	EC&M Article	Small Form Factor Connector Basics by Paul Rosenberg, EC&M.com (Sept. 1, 2001).
Ex. 1021	Going Serial Article	Going Serial in Gigabit Ethernet Designs by Martin Lund, EDN.com (June 20, 2002).
Ex. 1022	G.984.2	ITU-T G.984.2 (03/2003) Gigabit-capable Passive Optical Networks (GPON): Physical Media Dependent (PMD) layer specification
Ex. 1023	G.984.1	ITU-T G.984.1 (03/2003) Gigabit-capable Passive Optical Networks (GPON): General Characteristics
Ex. 1024	ITU-T A.1	ITU-T A.1 (10/2000) Work methods for study groups of the ITU Telecommunication Standardization Sector (ITU-T)

Exhibit	Short Name	Description
Ex. 1025	SG15 Contributions List	List of contributions from Oct. 2003 Geneva, Switzerland Meeting
Ex. 1026	SG15 TD-PLEN List	List of Plenary temporary documents from the Oct. 2003 Geneva, Switzerland Meeting
Ex. 1027	WP1 TD List	List of WP1 temporary documents from Oct. 2003 Geneva, Switzerland Meeting
Ex. 1028	WP1 TD5	Report of Q.2/15 Rapporteur meeting, 13-14 August 2003, Santa Clara, USA
Ex. 1029	TD-58GEN	List of participants at the Oct. 2003 Geneva, Switzerland
Ex. 1030	TD-7PLEN HTML	Webpage printout of The G.984.3 Draft Recommendation page
Ex. 1031	Contribution 104 HTML	Webpage printout of Contribution 104
Ex. 1032	DCO	Doc. No. 58, Docket Control Order, <i>NextGen Innovations, LLC v. Fujitsu Network Communications, Inc. et al.</i> , No. 2:22-cv-00307-JRG-RSP (E.D. Tex.) (consolidated cases)
Ex. 1033	Caseload	U.S. District Court – Judicial Caseload Profile (Sept. 2022)
Ex. 1034	Agilent New Fiber Optic Transceiver	<i>Agilent Technologies' New Fiber Optic Transceivers Offer Industry's Lowest EMI Emissions</i> , Agilent Technologies Inc. (July 10, 2001)
Ex. 1035	Infringement Contentions	Plaintiff NextGen Innovations, LLC's Disclosure of Asserted Claims and Infringement Contentions to the Nokia Defendants, <i>NextGen Innovations, LLC v. Nokia Corp., et al.</i> , No. 2:22-cv-00309-JRG-RSP (E.D. Tex.)
Ex. 1036	Nokia's Motion to Intervene in the AT&T Litigation	Dkt. No. 27, Nokia of America Corporation's Motion to Intervene, <i>NextGen Innovations, LLC v. AT&T Services, Inc., et al.</i> , No. 2:23-cv-00263-JRG-RSP (E.D. Tex.)

Exhibit	Short Name	Description
Ex. 1037	AT&T Litigation DCO	Dkt. No. 23, Docket Control Order, <i>NextGen Innovations, LLC v. AT&T Services, Inc., et al.</i> , No. 2:23-cv-00263- JRG-RSP (E.D. Tex.)
Ex. 1038	AT&T Litigation Infringement Contentions	Plaintiff NextGen Innovations, LLC's Disclosure of Asserted Claims and Infringement Contentions to AT&T, <i>NextGen Innovations, LLC v. AT&T Services, Inc., et al.</i> , No. 2:23-cv-00263- JRG-RSP (E.D. Tex.) (Sept. 13, 2023)

I. INTRODUCTION

Pursuant to the Board’s Institution Decision dated February 23, 2024, Nokia of America Corporation (“Petitioner” or “Nokia”) submits this brief to Show Cause why it should not be sanctioned under 37 C.F.R. § 42.12(a)(2), (3). Because Petitioner has not advanced “a misleading or frivolous argument or request for relief” and has not misrepresented “a fact,” sanctions against Petitioner are unwarranted.

Specifically, and throughout its briefing, Petitioner believes that it has acted in compliance with the duty of candor the Board imposes on and expects from its practitioners. At the time it filed its Petition and its Reply, Petitioner accurately reflected the state of the co-pending litigation and other relevant litigation involving the parties. As identified by the Board, *and only subsequent to Petitioner’s Reply brief*, the parties jointly decided to seek to have the trial date in the co-pending district court proceedings vacated. *See* Ex. 3003-3008. A new trial date has not yet been set but is expected to be no earlier than the second half of 2025.

If anything, the fact that the trial date in the co-pending district court proceedings was vacated *strengthens* Petitioner’s argument regarding *Fintiv*. Regardless, Petitioner understands the importance of keeping the Board apprised of relevant information and will certainly strive to do so in the future. But Petitioner had no intention to and did not mislead the Board or misrepresent any fact.

II. STATEMENT OF THE FACTS

On August 8, 2022, Patent Owners¹ filed *NextGen Innovations, LLC v. Nokia of America Corporation, et al.*, 2:22-cv-00309 (E.D. Tex.) (“*NextGen I*”) against Nokia accusing infringement of, among others, U.S. Patent No. 8,238,754 (the “’754 Patent”). This case was consolidated with *NextGen Innovations, LLC v. Fujitsu Network Communications, Inc. et al.*, 2:22-cv-00307 (E.D. Tex.), and on December 1, 2022, the court issued a Docket Control Order setting the trial date for May 6, 2024, for all *Fujitsu*-consolidated actions.

On June 1, 2023, NextGen filed another case asserting infringement of the ’754 Patent against AT&T Inc. (“AT&T”), accusing pluggable transceiver module products supplied by Nokia to AT&T (*NextGen Innovations, LLC v. AT&T Services, Inc., et al.*, 2:23-cv-00263 (E.D. Tex.) (the “*AT&T Litigation*”)).

On June 30, 2023, Petitioner filed the instant Petition for *Inter Partes* Review of the ’754 Patent with the Patent Trial and Appeal Board (“Board”).

On November 27, 2023, Patent Owners filed their POPR in accordance with the timeline set by the Board.

¹ Patent Owners Alexander Soto and Walter Soto comprise the sole and principal members of NextGen Innovations, LLC—the Plaintiff in the district court litigations.

On December 27, 2023, the Board authorized Petitioner and Patent Owners to file a Reply and Sur-Reply, respectively.

On December 29, 2023, NextGen filed a second suit against Nokia accusing infringement of three additional patents (*NextGen Innovations, LLC v. Nokia of America Corporation, et al.*, 2:23-cv-00637 (E.D. Tex) (“*NextGen IP*”)).

On January 9, 2024, Petitioner moved to intervene on behalf of its customer in the *AT&T Litigation*. Ex. 1036.

On January 10, 2024, Petitioner submitted its Reply, indicating to the Board in opposition to Patent Owners’ discretionary denial request that it had moved to intervene in the *AT&T Litigation* to defend its products and stating that the *AT&T Litigation* was not scheduled to go to trial until February 2025 at the earliest. Reply, 10.

On January 13, 2024, the parties began to discuss the possibility of consolidating the claims pending in *NextGen I* litigation and the *AT&T Litigation* into the *NextGen II* litigation.

On January 15, 2024, NextGen and Nokia jointly moved to consolidate *NextGen I* with *NextGen II*, requesting that the May 6, 2024 trial date be vacated. Ex. 3007.

On January 16, 2024, Nokia’s intervention in the *AT&T Litigation* was granted.

On January 22, 2024, Patent Owners submitted their Sur-Reply, arguing that “Nokia’s argument about the AT&T Litigation makes no sense,” and that AT&T could simply “look to the District Court trial set for May 6, 2024” Sur-Reply, 8. Patent Owners included a footnote indicating to the Board that a motion to consolidate *NextGen I* with *NextGen II* was pending. Sur-Reply, fn. 3.

On January 22, 2024, Patent Owners also submitted mandatory notices identifying the *AT&T Litigation* and *NextGen II Litigation*.

On January 30, 2024, the district court granted Nokia and NextGen’s consolidation request and vacated the May 2024 trial setting. As of the filing of this brief, a trial date in *NextGen II* has not been set.

III. ARGUMENT

A. Legal Standard

37 C.F.R. § 42.12 describes circumstances under which the Board has discretion to impose sanctions on a party for misconduct. Specifically, in its Institution Decision, the Board cites to § 42.12(a)(2) and (3), which describe the enforcement of sanctions for “[a]dvancing a misleading or frivolous argument or request for relief” and “[m]isrepresentation of a fact.” 37 C.F.R. § 42.12(a)(2), (3).

B. Petitioner’s Conduct Does Not Warrant Sanctions

Respectfully, Petitioner neither advanced “a misleading or frivolous argument” nor misrepresented “a fact” regarding the status of co-pending district

court litigation—or anything else—at any point throughout its authorized briefing. At the time of filing the Petition in June 2023, trial in *NextGen I* was slated for May 6, 2024, Nokia had not yet determined a reason to intervene in the *AT&T Litigation*, and *NextGen II* had not been filed. Thus, Petitioner’s representation that, according to both the *NextGen I* docket (Ex. 1032) and median trial time in the Eastern District of Texas (Ex. 1033), the “earliest estimated trial date” would not be until May 2024 was accurate, truthful, and not misleading. Petition, 84.

In its next and final brief, the Reply to Patent Owners Preliminary Response, Petitioner again provided accurate factual information regarding the status of the co-pending district court litigations. Specifically, Petitioner apprised the Board of its newly filed motion to intervene in the *AT&T Litigation*², which was, and still is, not slated to proceed to trial until February 2025 at the earliest. Reply, 9-10. At the time of the Reply, trial in *NextGen I* was still slated for May 2024 and no meaningful discussions regarding changing that date had begun.

Understanding the impacts of its request to intervene, Petitioner also advised the Board that the outcome of its decision “would have a significant impact on”

² After understanding that a number of accused products in the *AT&T Litigation* were Nokia-provided products, Nokia moved to intervene and notified the Board of such in its Reply.

Nokia products accused in the *AT&T Litigation*. Reply, 10. Petitioner asserted that the recent events regarding the *AT&T Litigation* “mitigate[ed] Patent Owners’ concerns that the institution of this Petition would be ‘a waste of everyone’s resources and will not benefit anyone.’” *Id.* (citing POPR at 75).

At the time of the Reply, *NextGen II* had no impact on the ’754 Patent as the case involved different patents. Thus, at the time of filing its Reply³, there was no relevant update regarding the *NextGen II* litigation for Petitioner to provide to the Board regarding *Fintiv* arguments in this proceeding.⁴

Petitioner had no intention of withholding relevant information from the Board. At the time of its last filing, Petitioner believed that it had provided an

³ It was not until after the filing of the Reply that the Parties began meaningfully discussing (January 12, 2024) or moved for consolidation of the cases (January 15, 2024), after which Judge Gilstrap granted the Parties’ motion, vacating the May 6, 2024 trial date (January 30, 2024).

⁴ To the extent Patent Owner suggests that the parties have discussed settlement of their disputes, such a suggestion should have no impact here. At no point in time, including at the present, do the parties have any agreement or agreement in principle concerning a settlement. Petitioner’s present intent is to vigorously pursue this *Inter Partes* Review proceeding and the related ones addressing the other Soto patents.

accurate account of the ever-growing and changing set of related matters. Petitioner further believed that the related matters, in conjunction with the strength of the Petition and the other *Fintiv* factors, demonstrated that discretionary denial was not warranted.

Importantly, the subsequent filings (*e.g.*, Exs. 3003 – 3008) do not undercut any argument made by Petitioner and are consistent with Petitioner’s urging that discretionary denial was not warranted. Indeed, notifying the Board of the additional decisions regarding the consolidation of *NextGen I* with *NextGen II* and postponement of the trial date would have only served to *strengthen* Petitioner’s position regarding *Fintiv*. With this in mind, there would be no logical reason for Petitioner to “mislead” the Board by failing to disclose such information.

While Petitioner made no false or misleading statements, Petitioner now understands the Board’s desired level of communication from the Parties regarding later-transpiring events and will act accordingly.

C. Nokia’s Actions Caused No Harm

Petitioner respectfully does not believe its actions, or lack thereof, caused any redressable harm in the present circumstance. Of pinnacle importance is that, at the time of issuing its Institution Decision, the Board was aware of Petitioner’s position regarding the trial date in *NextGen I*, was aware of *NextGen II* and the Parties’ requested consolidation (Sur-Reply, fn. 3; *see also* Paper 17), was aware of Nokia’s

intervention in the *AT&T Litigation* (Reply, 9-10; *see also* Paper 17), and had been fully briefed on the remaining *Fintiv* factors. The Board was aware of the related matters. *See* Paper 17. Moreover, Petitioner reiterates that Exhibits 3003-3008 would have only *strengthened* Petitioner's *Fintiv* argument.

Any harm was mitigated when, in issuing its Institution Decision, the Board identified Exhibits 3003-3008 and was able to properly evaluate the *Fintiv* factors.⁵ Therefore, Petitioner believes the harm caused by its own lack of action to specifically inform the Board of the consolidation of *NextGen I* with *NextGen II* and the vacated original trial date is not deserving of sanctions over and above the Board's admonishment in the Institution Decision and the current briefing.

That being said, going forward, Petitioner and its counsel understand now that they are to submit or request to submit all relevant district court materials related to *Fintiv*, or any other arguments presented, and will do so in this proceeding and future proceedings.

⁵ Petitioner appreciates and regrets the strain on Board resources caused by requiring the Board to identify Exhibits 3003-3008.

IV. CONCLUSION

Petitioner respectfully requests that the Board decline to impose sanctions on Petitioner. While it is regrettable that the Board had to uncover additional evidence on its own, Petitioner made no misleading or false statement of fact.

Date: March 4, 2024

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

CERTIFICATE OF SERVICE

The undersigned certifies that Petitioner served a copy of the foregoing PETITIONER'S RESPONSE TO SHOW CAUSE ORDER 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:

Lead Counsel	Back-Up Counsel
Qi (Peter) Tong Reg. No. 74,292 Russ August & Kabat 4925 Greenville Avenue, Suite 200 Dallas, TX 75206 Phone: (310) 826-7474 Fax: (310) 826-6991 ptong@raklaw.com rak_nextgen@raklaw.com	Irene Y Lee (Reg. No. 54,259) Benjamin T. Wang Andrew D. Weiss Paul A. Kroeger Russ August & Kabat 12424 Wilshire Blvd., 12th Fl. Los Angeles, CA 90025 Phone: (310) 826-7474 Fax: (310) 826-6991 ilee@raklaw.com bwang@raklaw.com aweiss@raklaw.com pkroeger@raklaw.com rak_nextgen@raklaw.com

Date: March 4, 2024

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