

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LENOVO (UNITED STATES) INC.,

Petitioner,

v.

INTELLECTUAL VENTURES II, LLC,

Patent Owner

Case No. IPR2024-00109

U.S. Patent No. 8,474,016

PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW

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I. INTRODUCTION

Patent Owner hereby requests Direct Review of the Final Written Decision. Central to the briefing in this case was the following fundamental question: Can a reference with an error be applied to invalidate a challenged patent when there are multiple potential ways to resolve the error, only one of which renders the challenged patent unpatentable? A simple hypothetical demonstrates the issue. Consider a challenged claim that recited a formula requiring the multiplication of two parameters, where the prior art disclosed the following erroneous example involving addition instead of multiplication:

$$4 + 2 = 8$$

The following are different plausible ways of correcting the error in the reference:

1. Leave the addition sign, but change the 8 to a 6 as if the reference said:

$$4 + 2 = 6$$

2. Change the addition sign to a multiplication sign as if the reference said:

$$4 \times 2 = 8$$

In the hypothetical, the first alternative fails to meet the claim language (which requires multiplication rather than addition), while the second alternative renders the challenged claim unpatentable. In this case, the Board attempted to sidestep the central issue in the case by purporting to interpret the prior art reference without

addressing the error or how the sentence with the error affected the Board's interpretation of the reference. In so doing, the Board failed to consider the reference as a whole and violated its obligation under the Administrative Procedures Act to engage in reasoned decision making. Director Review is therefore warranted.

II. STATEMENT OF FACTS

U.S. Patent No. 8,474,016 (hereinafter "'016 Patent") relates to the needs of network administrators to access network elements for regular maintenance or "to perform troubleshooting and resolving problems." Ex. 1001, 1:39-43, POR, 2. In discussing the state of the art, the '016 Patent identified two classes of remote management systems, namely, "*in-band*" systems and "*out-of-band*" systems. In an in-band system, "the remote administrator communicates with the system using the same network as the user data for the managed system" while in an out-of-band system "the remote administrator communicates with the system using a means other than the network utilized by the user data of the managed system." *Id.*, 1:53-60 (emphasis added). It was undisputed that the challenged claims were limited to an *in-band* remote management system.¹

¹ See, e.g., POR, 22 ("claim 1 of the '016 Patent is directed to an *in-band* remote management system because the management requests pass through the same user data interface as user data requests, and the management requests therefore go over the same physical network as the user data requests.")

The primary reference relied on in the Petition was Neufeld, and it was undisputed that the reference disclosed both an out-of-band management network (“M”) for sending out-of-band management commands to the managed system and an in-band network (“N”) utilized for carrying user data of the managed system. POR, 25-28. Since the challenged claims were limited to an in-band remote management system, the Petitioner needed to prove that Neufeld disclosed transmission of remote management commands to the managed system using Neufeld’s in-band network (“N”) utilized for carrying user data. In attempting to meet that burden, the Petition purported to quote the last sentence of paragraph [0047] of Neufeld but included the Latin phrase “sic” to signal an “error” in the sentence resulting from the recitation of “NIC 110” in connection with “Network M.” In contrast to the sentence as written, Neufeld’s figures did not show “NIC 110” being connected with “Network M.” Rather, Neufeld’s figures showed “Ethernet Interface 180” being connected with “Network M,” and “NIC 110” being connected with “Network M.” The Petition then chose to “correct” the “error” by rewriting the actual language to describe routing of management commands via “NIC 110” coupled to “Network N” (which would be an in-band management system) by replacing “network M” with “network N.” Below is a comparison of the actual wording of the subject sentence in paragraph [0047] of Neufeld and the rewritten rendition of the same sentence set forth in the Petition:

<u>Actual Wording of Neufeld</u>	<u>Petitioner's Rendition</u>
The remote management controller 116 also includes circuitry to route keystrokes to the keyboard controller 38 from either the local keyboard 52 or from the remote console 5 via the modem or NIC 110 which may be coupled to the network <u>M</u> . EX1005, [0047] (emphasis added).	The remote management controller 116 also includes circuitry to route keystrokes to the keyboard controller 38 from either the local keyboard 52 or from the remote console 5 via the modem or NIC 110 which may be coupled to the network <u>M /sic, N</u> . Petition, 20 and 25 (emphasis added).

Neither the Petition, nor Petitioner's expert, provided any rationale why the subject sentence in paragraph [0047] should have been corrected in the manner suggested in the Petition. POR, 30.

Patent Owner's expert disagreed that a POSITA would have corrected the error in paragraph [0047] of Neufeld by rewriting the sentence in the manner proposed by Petitioner, i.e., by replacing "M" with "N" at the end of the sentence, and instead explained at length that a POSITA would have changed "NIC 110" to "Ethernet Interface 180" (reflecting an out-of-band solution) because that approach was more consistent with Neufeld as a whole, which was directed to out-of-band solutions. POR, 29-31; Ex. 2007, ¶¶87-91. The position of each party as to how the erroneous language in Neufeld could potentially have been corrected by a POSITA is set forth below:

<u>Petitioner's Position</u>	<u>Patent Owner's Position</u>
The remote management controller 116 also includes circuitry to route keystrokes to the keyboard controller 38 from either the local keyboard 52 or from the remote console 5 via the modem or NIC 110 which may be coupled to the network <u>M [sic, N]</u> . Petition, 20 and 25 (emphasis added).	The remote management controller 116 also includes circuitry to route keystrokes to the keyboard controller 38 from either the local keyboard 52 or from the remote console 5 via the modem or <u>Ethernet Interface 180 [sic, NIC 110]</u> which may be coupled to the network N. POR, 30 (emphasis added).

As explained by Patent Owner's expert, changing "NIC 110" to "Ethernet Interface 180" (reflecting an out-of-band solution) was more consistent with Neufeld as a whole because Neufeld's "Background of Related Art" contrasted the drawbacks of in-band systems with the advantages out-of-band systems. In this regard, Neufeld stated:

Remote management tools can communicate with a managed server using either (1) in-band communication or (2) out-of-band communication. In-band communication refers to communicating with the server over a standard network connection, such as the managed server's normal Ethernet connection. In-band communication with the server is, accordingly, only possible when the server is able to communicate over its normal network connection. Practically speaking, this limitation restricts in-band communication to times when the OS of the managed server is operational (online).

Out-of-band communication, which is not performed across the managed server's normal connection to the network, is a much more powerful tool for server management. In out-of-band communication, a "back door communication channel is established by a remote server. management tool (such as a remote console or terminal emulator) using some other interface with the server (such as (1) through the server's modem, (2) via a direct connection to a serial port, (3) through an infrared communication port, or (4) through an Ethernet interface or the Internet).

In a sense, out-of-band communication is like opening an unobtrusive window through which the inner workings of the operation of the managed server may be observed. After the out-of-band communication link with the server is established, the remote server management tool communicates with the server to obtain data that will be useful to analyze a problem or potential problem. After a problem has been analyzed, out-of-band communication may be possible to control the managed server to overcome the problem or potential problem. Ex. 1005, [0012]-[0014] (emphasis added).

Having concluded in the “Background of Related Art” that out-of-band systems were “a much more powerful tool than in-band systems,” Neufeld’s “Description of the Specific Embodiments” stated that its goal was to provide for “lights out” management, which means the capability to provide remote management even when the managed server is unable to communicate over its normal network communication, or even when offline -- a capability that is only possible with an out-of-band remote management system. *Id.*, [0011]-[0014] and [0076]; Ex. 2007, ¶81. These aspects of Neufeld’s disclosure favored Patent Owner’s proposed correction of the subject sentence, which would have reflected an out-of-band solution that was outside the scope of the challenged claims.

As mentioned above, neither the Petition nor Petitioner’s expert provided any rationale in support of rewriting the actual language in paragraph [0047] of Neufeld to recite an in-band solution by substituting Neufeld’s reference to network M’ with “network N.” However, as explained above, Patent Owner placed significant focus on this issue in the Patent Owner Response and, in its Reply, the Petitioner advanced

eight pages of attorney argument in support of its proposed rewriting of the reference but failed to submit a reply declaration from its expert disputing the earlier declaration of Patent Owner's expert. Reply, 9-17. Patent Owner, in turn, devoted almost half of the Patent Owner's Sur-Reply to addressing the disputed sentence in paragraph [0047] of Neufeld, making it a central issue in the case. Sur-reply, 2-11.

Just like the hypothetical discussed at the outset, there were at least two potential ways to resolve the error in paragraph [0047], only one of which rendered the challenged patent unpatentable. Resolution of this issue was central to the case. If the error could have been corrected one way or the other, it would have been case dispositive. If the error could not have been corrected because it was unclear how a POSITA would have interpreted the subject sentence, then the Board would have been required to find for Patent Owner because the Petitioner would have failed to carry its burden to demonstrate unpatentability.

III. FINAL WRITTEN DECISION

In the Final Written Decision, the Board failed to address how a POSITA would have interpreted the disputed sentence in paragraph [0047] of Neufeld. Instead, the Board attempted to “work around” that issue by repeatedly using a rhetorical technique in which the Board would first quote an actual statement in, for example, the “Background of Related Art” section of Neufeld, and then, in the next sentence starting with “In other words ...” purport to “rephrase” the quote in a way

that subtly and substantively changed its meaning. FWD, 15-17. The Board applied this rhetorical technique with respect to multiple statements in Neufeld, including a sentence in paragraph [0043] where Neufeld made clear that its meaning “will be more fully described below” thereby implicating the disputed sentence later in paragraph [0047] that was at the center of the party’s briefings. Rather than dealing with the issue presented by paragraph [0047] which “more fully described” the disclosure of paragraph [0043] and was therefore a predicate to understanding paragraph [0043], the Board expressly stated that it was not addressing paragraph [0047]. FWD, 17 and note 21.

In attempting to “work around” the central issue of the disputed sentence in paragraph [0047], the Board clearly failed to consider Neufeld as a whole, which required the Board to deal with the disputed sentence in paragraph [0047]. The Board strained mightily to avoid dealing with that issue, by relying on rhetorical techniques that misrepresented the actual wording of the reference. In taking that approach, the Board violated its obligation under the Administrative Procedures Act to engage in reasoned decision making, which requires acknowledging and analyzing the actual words of the reference, rather than text that has been rewritten or rephrased to say something absent from the actual text. *See, e.g., Cutsforth, Inc. v. MotivePower, Inc.*, 636 F. App’x 575, 578 (Fed. Cir. 2016) and *In re Nuvasive*, 842 F.3d 1376, 1383 (Fed. Cir. 2016).

The Board applied its rhetorical technique, or quoted Neufeld out of context, in connection with three passages from Neufeld before finding that Neufeld’s proposed solution included in-band management requests. Each of these passages, and the Board’s treatment of them, are examined next.

A. Neufeld’s Statement In The “Background of Related Art” That It Is Desirable To Capture Information From A Managed Server In Multiple Operational States

In determining that Neufeld disclosed the *receipt of in-band management requests* by a managed server as claimed, the Board placed great emphasis on the following statement in Neufeld’s “Background of Related Art” section:

... it is highly desirable to have a network management tool that is able to *capture* the maximum amount of information *from a managed server* in the maximum range of operational states of the server (for example, (1) in-band online; (2) in-band offline; (3) out-of-band online; and (4) out-of-band offline) and to *allow control of the managed server* based on that data. Ex. 1005, [0015].

FWD, 16-17. Putting aside the fact that it is not part of the “Description of the Specific Embodiments” section of Neufeld, this statement discloses only *capturing information from a managed server* in a range of operational states. It does not expressly or inherently disclose “*control of the managed server*” (via *management requests received* by the managed server) using *both in-band and out-of-band requests*. Rather, with respect to *control* of the managed server, the sentence states only “... to allow control of the managed server based on that data” and is *silent* as to whether such *control* is implemented via in-band and/or out-of-band management

requests. The Board ignored this deficiency in Neufeld’s actual disclosure and, after quoting the subject passage of Neufeld, subtly reworded the actual language of the reference to fill in the missing disclosure:

In other words, Neufeld teaches that it is highly desirable for remote server management tools to be able to control the managed server via an in-band online connection, as well as via other connections. FWD, 17 (emphasis added).

The subject passage from Neufeld says no such thing. While it discloses capturing information from a managed server in a range of operational states, it fails to expressly or inherently disclose controlling “the managed server via an in-band online connection, as well as via other connections” as the Board found. Moreover, even if the subject passage from Neufeld’s “Background of Related Art” section said what the Board claimed (to be clear, it does not), the Board should not have incorporated aspects of other systems described in Neufeld’s “Background of Related Art” section into Neufeld’s proposed solution as set forth in Neufeld’s “Description of the Specific Embodiments.”

B. Neufeld’s Acknowledgement In The “Background of Related Art” That In-Band Remote Management Tools Communicated With A Managed Server Over A Standard Ethernet Connection

The Board also quoted out-of-context another quotation from Neufeld’s “Background of Related Art” section. In this regard, the Board stated:

Neufeld teaches that “[r]emote management tools can communicate with a managed server using either ([1]) in-band communication or (2) out-of-band communication,”[19] where “[i]n-band communication

refers to communicating with the server over a standard network connection, such as the managed server's normal Ethernet connection." FWD, 15-16, citing Neufeld, ¶ [0011].

Putting aside the fact that it is not part of the "Description of the Specific Embodiments" section of Neufeld, the Board failed to even acknowledge that, in the very next sentence, Neufeld explained the drawbacks of in-band communication as follows:

In-band communication with the server is, accordingly, *only possible when the server is able to communicate over its normal network connection. Practically speaking, this limitation restricts in-band communication to times when the OS of the managed server is operational (online).* Ex. 1005, [0011] (emphasis added).

Given the stated drawbacks of in-band communications, the Board failed to provide a reasoned explanation for incorporating Neufeld's reference to in-band communications from the "Background of Related Art" section of Neufeld into the solution disclosed in Neufeld's "Description of the Specific Embodiments."

C. Neufeld's Disclosure For Accessing, Monitoring And Interacting With the Managed Server

The only other portion of Neufeld that the Board relied on in finding that the solution disclosed in Neufeld's "Description of the Specific Embodiments" included in-band management requests, was the following statement from paragraph [0043] of Neufeld which appears a few paragraphs before the sentence in paragraph [0047] that the Petition rewrote.

Further attached to the PCI bus 16 is a remote management controller 116. The remote management controller 116 connects to the keyboard controller 38, *the network N and/or a management network M*, a keyboard 52, and a mouse 54 to provide functionality for *accessing, interacting, and monitoring* the managed server 2 from the remote console 5 *as will be more fully described below*. Ex. 1005, ¶[0043] (emphasis added).

After quoting this phrase, the Board again engaged its rhetorical technique by starting the next sentence with “In other words” in order to imply that the passage discloses in-band management requests. FWD, 17. However, the passage does not expressly or inherently make that disclosure. The passage identifies three functions, namely, (1) accessing the managed server, (2) interacting with the managed server, and (3) monitoring the managed server. The passage discloses that the remote management controller 116 connects to “the network N and/or a management network M” in order to *collectively* provide *all* three of these functions. However, the passage does *not* expressly or inherently disclose that implementation of every *individual* one of the three functions necessarily involves the *network N*. For example, the passage is entirely consistent with the remote network management controller 116 using network N *and* management network M to *capture* information from the managed server (i.e., to perform *accessing* and *monitoring* of the managed server) as suggested in the Background of Neufeld, while using only management *network M* to send management requests to the managed server (i.e., to perform *interacting* with the managed server).

Moreover, the end of the sentence in paragraph [0043] of Neufeld states that the subject matter “will be more fully described below” and just a few sentences later in paragraph [0047], Neufeld disclosed the routing of remote management commands over “network M” (reflecting an out-of-band management system) which the Petitioner rewrote by substituting “network N” for “network M.” Even though the paragraph of Neufeld (i.e., [0043]) which the Board relied on directly implicated the sentence in paragraph [0047] that the Petitioner rewrote, the Board concluded that it did not need to reach the propriety of the Petition’s rewriting of paragraph [0047] of Neufeld because “Neufeld’s other teachings” disclose “in-band communication for remote management.” FWD, note 21. That reasoning was flawed, because the Board could not have reasonably discerned that paragraph [0043] of Neufeld disclosed in-band remote management commands without analyzing Neufeld’s disclosure as “more fully described below” in paragraph [0047] which the Board expressly ignored. FWD, note 21.

IV. THE BOARD FAILED TO CONSIDER NEUFELD AS A WHOLE OR ENGAGE IN REASONED DECISION MAKING

Resolution of the disputed sentence in [0047] of Neufeld was central to this case, and the Board could not possibly have considered the reference as a whole without dealing with that issue. The Board erred in even attempting to “work around” that issue, because it was impossible for the Board to follow that law and consider Neufeld as a whole in assessing whether the reference taught in-band remote

management requests without determining if paragraph [0047] could have been corrected one way or the other, or that it was not correctable.

Rather than squarely addressing the key issue in the case, the Board strained mightily to avoid it by resorting to rhetorical techniques that misrepresented the actual wording of the reference. In doing so, the Board violated its obligation under the Administrative Procedures Act to engage in reasoned decision making, which requires acknowledging and analyzing the actual words of the reference and not text that has been rewritten or rephrased to say something else.

V. CONCLUSION

For the reasons set forth above, Director Review should be granted, and the Final Written Decision should be vacated, and judgment should be entered that none of the challenged claims have been shown to be unpatentable. In the alternative, the Final Written Decision should be vacated, and the matter should be remanded with directions to enter a Final Written Decision that squarely addresses the disputed sentence in [0047] of Neufeld.

Respectfully submitted,

Dated: March 13, 2026

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CERTIFICATE OF SERVICE

The undersigned certifies that pursuant to 37 C.F.R. §42.6(e), a copy of the foregoing **PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW** was served via email (as consented to by counsel) on March 13, 2026 to lead and backup counsel of record for Petitioners as follows:

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