

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FORTINET, INC.,
PALO ALTO NETWORKS, INC.,
Petitioners

v.

LIONRA TECHNOLOGIES LTD.,
Patent Owner

Inter Partes Review Case No. IPR2024-00158
U.S. Patent No. 8,566,612

**PETITIONERS' REPLY TO PATENT OWNER'S OPPOSITION TO
MOTION FOR JOINDER
TO RELATED *INTER PARTES* REVIEW IPR2023-00703**

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I. INTRODUCTION

Patent Owner's Opposition ("PO Opp.") to Petitioners' Motion for Joinder to IPR2023-00703 ("703 IPR") does not provide a sufficient legal or factual basis for denying joinder. As an initial matter, Patent Owner does not dispute that joinder is appropriate in this case where Petitioner has filed an identical petition to the 703 IPR and agreed to take an understudy role in the instituted 703 IPR proceeding. Indeed, Patent Owner does not even address any of the *Kyocera* factors. *See Kyocera Corp. v. Softview LLC*, Case IPR2013-00004, Paper 15 at 4 (Apr. 24, 2013); *see also* Patent Trial and Appeal Board Consolidated Trial Practice Guide November 2019 at 76. Instead, Patent Owner arguments are solely directed to whether the petition for IPR should be instituted. PO Opp. 2. However, the "the joinder decision is a separate and subsequent decision to the institution decision." *Facebook, Inc., v. Windy City Innov., LLC*, 973 F.3d 1321,1332(Fed. Cir. 2020). Because the PO Opp. is directed solely to whether the petition warrants institution, Petitioners respectfully requests that the Board treat the PO Opp. as Patent Owner's Preliminary Response ("POPR").¹

¹ Patent Owner states that it intends to file a POPR on or before February 22, 2024. However, because the PO Opp. is directed solely to whether the present petition should be instituted, it would be manifestly unfair to allow Patent Owner

Looking past the issue of joinder, Patent Owner asks the Board to use its discretionary authority to deny institution on two bases: (1) the *Fintiv* factors and (2) the *General Plastic* factors. PO Opp. 2. However, Patent Owner fails to acknowledge that the Board already considered nearly identical *Fintiv* arguments in the 703 IPR and instituted the 703 IPR in view of those arguments. Nor does Patent Owner attempt to identify how the Board erred previously or why the Board should reconsider its arguments, especially considering Petitioners' *Sotera* stipulation. The same result as the 703 IPR is warranted here. With respect to the *General Plastic* factors, Patent Owner urges the Board to deny institution after admitting only two of the seven factors purportedly disfavor joinder. However, the law Patent Owner relies on addresses a second petition filed by the **same** petitioner, a factual circumstance not present here. The *Fintiv* and *General Plastic* factors are utilized by the Board to promote efficiency and the fundamental fairness of the process. Here, Petitioners filed a copycat Petition and simply seek to join the already instituted 703 IPR in an understudy role. Because joinder promotes efficient use of the Board's resources and Patent Owner is unable to show joinder is fundamentally unfair, the Board should grant Petitioners' Motion.

II. *FINTIV* FACTORS SUPPORT INSTITUTION

to have a second bite at the apple by filing a POPR challenging institution.

Under *Fintiv*, the Board takes a holistic view of whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding. *Apple Inc. v. Fintiv, Inc.*, Case IPR2020-00019, Paper 11 at 6 (March 20, 2020).

According to the latest guidance from the Director:

The Board should first assess *Fintiv* factors 1–5; if that analysis supports discretionary denial, the Board should engage the compelling merits question. If the Board reaches the compelling merits analysis and finds compelling merits, it shall provide reasoning to explain its determination.

CommScope Techs. LLC. V. Dali Wireless Inc. IPR2022-01242, Paper 23 at 6 (February 27, 2023).

Each Petitioner has filed a motion to stay the Related Litigation. Because the motions are still pending, Factor 1 is neutral.. *Sand Revolution II LLC v. Continental Intermodal Group – Trucking LLC*, IPR2019-01393, Paper 24 at 7 (June 16, 2020) (informative).

Under factor 2, the trial date has been set for all three defendants on the same date in the Related Litigation for May 2024. A Final Written Decision is expected in the present matter in October 2024. Considering the inherent uncertainties of litigation scheduling, particularly where multiple trials are scheduled for the same date, this factor weighs against discretionary denial.

Factor 3 favors institution. At the time of institution of the 703 IPR, the co-pending litigation was in its early stages, and the investment had been minimal. Patent Owner's analysis assumes that the institution of the current Petition will not occur until three months after it files its POPR on February 22, 2024. However, as discussed above, the Board should not wait for Patent Owner to file its POPR since Patent Owner is currently challenging the Petition in its PO Opp. Likewise, Petitioners will be taking an understudy role so that the trial schedule in the 703 IPR can proceed as normal, so the factual circumstances are identical to those in the 703 IPR

Under factor 4, the Board's decision is guided by the USPTO Director's Memorandum issued on June 21, 2022, titled "Interim Procedure for Discretionary Denials in AIA Post Grant Proceedings with Parallel District Court Litigation" ("Director's Memo"). Pursuant to the Director's Memo, the Board "will not discretionarily deny institution . . . where a petitioner presents a [*Sotera*] stipulation." Director's Memo at 3 (citing *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (precedential as to § II.A)). Petitioners have stipulated to the Board that if the present proceeding is instituted and joined with the 703 IPR, it will "not pursue in the copending district court litigation the specific ground asserted in the petition, or any other ground that was raised or could have been reasonably raised in an IPR (i.e., grounds that could have

been raised under §§ 102 or 103 on the basis of prior art patent or printed publications).” Patent Owner notes that neither Petitioner has filed the stipulation in the District Court, but Petitioners are not aware of any requirement to file a stipulation in District Court and in any event, Patent Owner does not deny that Petitioners so stipulated.

Under factor 5, Petitioners are defendants in the Related Litigations. While some cases favor institution where petitioner is not a defendant, nothing within *Fintiv* suggests that the same party between the proceedings weighs in favor of discretionary denial. See *HP Inc. v. Slingshot Printing LLC*, IPR2020-01084, Paper 13 at 9 (having the “same parties as parallel proceeding” makes factor 5 “neutral”)

Assessing *Fintiv* factors 1–5, the Board should find that discretionary denial is not supported, e.g., “will not discretionarily deny institution . . . where a petitioner presents a [*Sotera*] stipulation.” Nevertheless, should the Board reach the compelling merits question, the merits of the Petition are particularly strong. For example, the primary reference Pham discloses the very limitation (*i.e.* “*wherein the packet engine is one of a plurality of packet engines and substantially all of the incoming and outgoing packets to the security processor transit one of the plurality of packet engines*”) by which the ’612 Patent gained allowance. EX-1013 Examiner Amendment pp. 20-25. Thus, the evidence presented, if unrebutted in trial, would lead to a conclusion that one or more claims are unpatentable by a

preponderance of the evidence.

When viewed holistically, the efficiency, fairness, and the merits support instituting review.

III. GENERAL PLASTIC FACTORS SUPPORT INSTITUTION

Recognizing the potential for abuse of the review process by repeated attacks on patents, the *General Plastic* factors were formulated to take undue inequities and prejudices to Patent Owner into account to permit the Board to assess the potential impacts on both the efficiency of the *inter partes* review process and the fundamental fairness of the process for all parties. *General Plastic Indus. Co. v. Canon Kabushiki Kaisha*, Case IPR2016-01357, Paper 19 at 17-18 (September 6, 2017).

Here, Patent Owner has failed to show that institution of the present Petition is inefficient or fundamentally unfair. To the contrary, Patent Owner only asserts that two factors weigh against institution. With respect to factor 5, Petitioners filed their first and only Petition within 30 days after institution of the 703 IPR which is within the statutorily set time frame. 37 CFR §42.122(b). Patent Owner asserts that factor 5 (and proposed factor 8) support denial based on the *Shenzhen Silver Star* case. PO Opp. 14. However, that case was not addressing joinder, but instead was addressing the tactical advantage that can be achieved by petitioners “waiting to file a petition until after having ample time to consider and tailor its petition in

response to how the Patent Owner responded to the earlier petition.” *Shenzhen Silver Star Intelligent Technology Co., LTD., v. iRobot Corp.*, Case IPR2018-00761 Paper 15, 18. (Sept. 5, 2018). Factor 5 (and proposed factor 8) are clearly not relevant to the current facts, given the joinder Petition is a copycat petition and Patent Owner did not respond to the substance of the petition in the 703 IPR.

Patent Owner also asserts that factor 6 favors discretionary denial because “petitioners would be able to continue the proceedings that would otherwise be terminated after settlement with the primary petitioner.” PO Opp. 15. However, each of the cases cited by Patent Owner involve petitioners who previously filed a first petition that was denied, and subsequently the same petitioner filed a second petition that was subject to the joinder motion, thus allowing them two bites of the apple where they were otherwise time barred. *T-Mobile USA, Inc., v. VoIP-Pal.com, Inc.*, IPR2023-00638, Paper 11, pp.3-4, 11-12 (July 28, 2023); *Apple Inc. v. Uniloc 2017 LLC*, IPR2020-00854, Paper 9, pp. 3-5, 11-12 (October 28, 2020). This is not the case here – neither Petitioner has previously filed a petition challenging the ’612 Patent.

Thus, none of the *General Plastic* factors weighs against institution.

IV. CONCLUSION

Based on the above, Petitioners respectfully request that the Board treat the PO Opp. as the POPR, institute the Petition and grant Petitioners' Motion for Joinder as an understudy in the 703 IPR.

Date: January 11, 2024

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the Motion for Joinder has been served on counsel for Patent Owner on January 11, 2024, via P-TACTS and e-mail to:

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