

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CISCO SYSTEMS, INC.,
Petitioner,

v.

MONARCH NETWORKING SOLUTIONS LLC,
Patent Owner.

IPR2020-01678
Patent 8,451,844 B2

Before THU A. DANG, THOMAS L. GIANNETTI, and
ROBERT J. WEINSCHENK, *Administrative Patent Judges*.

WEINSCHENK, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

A. *Background and Summary*

Cisco Systems, Inc. (“Petitioner”) filed a Petition (Paper 2, “Pet.”) requesting an *inter partes* review of claims 1–10 (“the challenged claims”) of U.S. Patent No. 8,451,844 B2 (Ex. 1001, “the ’844 patent”). Monarch Networking Solutions LLC (“Patent Owner”) filed a Preliminary Response (Paper 6, “Prelim. Resp.”) to the Petition. With our authorization, Petitioner filed a Reply (Paper 7, “Reply”) to the Preliminary Response, and Patent Owner filed a Sur-reply (Paper 8, “Sur-reply”) to the Reply.

An *inter partes* review may not be instituted unless “the information presented in the petition . . . and any response . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a). Under § 314(a), we have discretion to deny institution of an *inter partes* review. *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”). After considering the parties’ arguments and evidence, we exercise our discretion under § 314(a) to deny the Petition.

B. *Real Parties-in-Interest*

Each party identifies itself as the only real party in interest. Pet. 11; Paper 4, 2.

C. *Related Matters*

The parties indicate that the ’844 patent is the subject of the following district court case: *Monarch Networking Solutions LLC v. Cisco Systems, Inc.*, No. 2:20-cv-00015 (E.D. Tex.) (“District Court Litigation”). Pet. 11–12; Paper 4, 2.

D. The '844 Patent

The '844 patent relates to Internet Protocol ("IP") telecommunications networks. Ex. 1001, 1:17–21. The '844 patent states that "[i]t is commonly accepted in the IP service provider community that [Internet Protocol version 4 (IPv4)] public addresses are going to run out." *Id.* at 1:61–62. "To avoid this problem[,] the community has in the past taken action leading to the definition of a new protocol known as the Internet Protocol version 6 (IPv6)." *Id.* at 1:62–65. According to the '844 patent, "[i]t is therefore necessary to provide for a changeover to IPv6," including "a period of transition during which IPv6 domains will have to interconnect with IPv4 domains." *Id.* at 2:47–51.

The '844 patent describes an "approach to routing a data packet coming from an IPv4 [domain] in an IPv6 domain." *Id.* at 3:9–11. In particular, the approach involves 1) receiving a data packet from an IPv4 domain in an IPv6 domain; 2) constructing an IPv6 destination address; 3) generating an IPv6 data packet from the IPv6 constructed destination address and the received IPv4 packet; and 4) routing the generated IPv6 data packet in the IPv6 domain. *Id.* at 2:59–3:8.

E. Illustrative Claim

Claim 1 is reproduced below.

1. A method of receiving a data packet from an IPv4 domain in an IPv6 domain, said data packet comprising an IPv4 destination address and a destination port number, said method comprising the following steps:

constructing an IPv6 destination address by concatenating an operator prefix, said IPv4 destination address, and the destination port number;

generating an IPv6 data packet from the IPv6 constructed destination address and the received IPv4 packet; and

routing the generated IPv6 data packet in the IPv6 domain using the IPv6 constructed destination address, said constructed address belonging to a range of IPv6 addresses routable to an interconnection equipment of the IPv6 domain with the IPv4 destination address.

Id. at 14:29–42.

F. Evidence

Petitioner submits the following evidence:

Evidence	Exhibit No.
Declaration of Paul S. Min, Ph.D. (“Min Declaration”)	Ex. 1003
Ananda, US 2004/0107287 A1, published June 3, 2004 (“Ananda”)	Ex. 1005
Y. Rekhter, <i>Address Allocations for Private Internets</i> , Network Working Group, Request for Comments: 1918 (Feb. 1996) (“RFC1918”)	Ex. 1007
Wetterwald, US 7,639,686 B2, issued Dec. 29, 2009 (“Wetterwald”)	Ex. 1008
C. Huitema, <i>Teredo: Tunneling IPv6 Over UDP Through Network Address Translations (NATs)</i> , Network Working Group, Request for Comments: 4380 (Feb. 2006) (“RFC4380”)	Ex. 1009
Y. Rekhter, <i>A Border Gateway Protocol 4 (BGP-4)</i> , Network Working Group, Request for Comments: 4271 (Jan. 2006) (“RFC4271”)	Ex. 1046

G. Asserted Grounds

Petitioner asserts that the challenged claims are unpatentable on the following grounds:

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
1–6, 8, 10	103	Ananda, Wetterwald, RFC4380
7	103	Ananda, Wetterwald, RFC4380, RFC4271
9	103	Ananda, Wetterwald, RFC4380, RFC1918

II. ANALYSIS

A. 35 U.S.C. § 314(a)

Patent Owner argues that the Petition should be denied under § 314(a) based on the advanced stage of the District Court Litigation. Prelim. Resp. 55–60; Sur-reply 1–5. Petitioner argues that denying the Petition under § 314(a) is not appropriate. Pet. 28–31; Reply 1–5.

Section 314(a) states that

[t]he Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.

Under § 314(a), we have discretion to deny institution of an *inter partes* review. *Cuozzo*, 136 S. Ct. at 2140. We consider several factors when determining whether to deny institution under § 314(a) based on a parallel district court proceeding, specifically

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court's trial date to the Board's projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board's exercise of discretion, including the merits.

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 5–6 (PTAB Mar. 20, 2020) (precedential).

1. *Factor 1 – Whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted*

Under the first *Fintiv* factor, we consider “whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted.” *Id.* at 6. Petitioner argues that neither party requested a stay of the District Court Litigation, so the first factor is neutral. Pet. 28–29; Reply 1–2. Patent Owner argues that because the District Court is unlikely to grant a stay, the first factor favors denying institution. Prelim. Resp. 56–58; Sur-reply 2.

We determine that the first *Fintiv* factor is neutral. Neither party requested a stay of the District Court Litigation and we decline to infer how the District Court would rule should a stay be requested. *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12 (PTAB May 13, 2020) (informative).

2. *Factor 2 – Proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision*

Under the second *Fintiv* factor, we consider the “proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision.” *Fintiv*, Paper 11 at 6. The parties agree that the current trial date in the District Court Litigation is June 7, 2021. Prelim. Resp. 58; Reply 2; Ex. 2012, 1. Petitioner argues, though, that the trial date is uncertain because the District Court 1) “postponed all jury trials that were scheduled to occur between December 2020 and February 2021 due to the COVID health crisis,” which “could have a cascading effect on trials scheduled after February 2021”; and 2) “has five other trials scheduled for jury selection on” June 7, 2021. Reply 2–3. Thus, according to Petitioner, the second factor is neutral. *Id.* at 3. Patent Owner argues that the trial date in the District Court Litigation is “almost one year” before the projected

statutory deadline for a final written decision in this case, so the second factor favors denying institution. Prelim. Resp. 58; Sur-reply 2–3.

We determine that the second *Fintiv* factor favors denying institution. The current trial date in the District Court Litigation is June 7, 2021, which is approximately ten months before the projected statutory deadline for a final written decision in this case. Reply 2; Sur-reply 3; Ex. 2012, 1. Although there is some uncertainty regarding the trial date in the District Court Litigation, it does not outweigh the substantial gap between the trial date and the final written decision deadline.

3. *Factor 3 – Investment in the parallel proceeding by the court and the parties*

Under the third *Fintiv* factor, we consider the “investment in the parallel proceeding by the court and the parties.” *Fintiv*, Paper 11 at 6. Petitioner argues that because the District Court Litigation “is in its early stages, and the investment in it has been minimal,” the third factor favors institution. Pet. 30. Petitioner also argues that it “has not filed a dispositive motion on the invalidity of the ’844 patent.” Reply 4. Patent Owner argues that the District Court already issued a claim construction order, and Petitioner served its invalidity expert report. Prelim. Resp. 58; Sur-reply 3. Patent Owner also argues that parties completed discovery and filed dispositive motions. Sur-reply 3. Thus, according to Patent Owner, the third factor favors denying institution. Prelim. Resp. 59; Sur-reply 3.

We determine that the third *Fintiv* factor favors denying institution. The District Court issued a claim construction order that addresses the terms “operator prefix” and “means for constructing an IPv6 destination address,” which also are at issue in this case. Pet. 18–19; Prelim. Resp. 22–23; Ex. 2006, 22–25, 49–60. Petitioner submitted an invalidity expert report in

the District Court Litigation that addresses the same prior art asserted in this case. Pet. 30 (“The prior art addressed in the Petition is also part of Petitioner’s invalidity contentions in the litigation.”); Reply 3–4 (“Petitioner has submitted its invalidity expert report.”). Further, the deadlines to complete discovery and file dispositive motions in the District Court Litigation have passed. Ex. 2012, 3. Thus, the District Court and the parties have invested substantial resources in the District Court Litigation.

4. *Factor 4 – Overlap between issues raised in the petition and in the parallel proceeding*

Under the fourth *Fintiv* factor, we consider the “overlap between issues raised in the petition and in the parallel proceeding.” *Fintiv*, Paper 11 at 6. Petitioner acknowledges that the Petition in this case asserts the same prior art as Petitioner’s invalidity contentions in the District Court Litigation. Pet. 30. Petitioner stipulates, though, that if we institute an *inter partes* review in this case, “Petitioner will cease asserting in the [D]istrict [C]ourt [L]itigation the combination of references on which trial is instituted for the claims on which trial is instituted, while trial is instituted.” *Id.*; see Reply 4. According to Petitioner, the stipulation eliminates any overlap, and the fourth factor favors institution. Pet. 30; Reply 4. Patent Owner argues that because Petitioner’s stipulation is “narrow,” the fourth factor favors denying institution. Prelim. Resp. 59; Sur-reply 4.

We determine that the fourth *Fintiv* factor slightly favors institution. The Petition in this case asserts the same prior art as Petitioner’s invalidity contentions in the District Court Litigation. Pet. 30 (“The prior art addressed in the Petition is also part of Petitioner’s invalidity contentions in the litigation.”). Nonetheless, Petitioner’s stipulation that it will not pursue the same asserted grounds in the District Court Litigation mitigates, to some

degree, concerns about duplicative efforts and potentially conflicting decisions. *See Sand Revolution II, LLC v. Continental Intermodal Grp. – Trucking LLC*, IPR2019-01393, Paper 24 at 12 (PTAB June 16, 2020) (informative).

5. *Factor 5 – Whether the petitioner and the defendant in the parallel proceeding are the same party*

Under the fifth *Fintiv* factor, we consider “whether the petitioner and the defendant in the parallel proceeding are the same party.” *Fintiv*, Paper 11 at 6. We determine that the fifth *Fintiv* factor favors denying institution because Petitioner is a defendant in the District Court Litigation. Pet. 31; Reply 5; Ex. 2012, 1; *see Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 19 (PTAB Dec. 1, 2020) (precedential).

6. *Factor 6 – Other circumstances that impact the Board’s exercise of discretion, including the merits*

Under the sixth *Fintiv* factor, we consider “other circumstances that impact the Board’s exercise of discretion, including the merits.” *Fintiv*, Paper 11 at 6. Petitioner argues that because the asserted prior art “teaches the limitations that were missing from the prior art considered during prosecution,” the merits are “strong” and the sixth factor favors institution. Pet. 31; Reply 5. Patent Owner argues that because the asserted prior art is missing certain claim limitations, the merits are “particularly weak.” Prelim. Resp. 59–60. Thus, according to Patent Owner, the sixth factor favors denying institution. *Id.*; Sur-reply 5.

We determine that the sixth *Fintiv* factor is neutral. We considered the parties’ arguments and evidence regarding the asserted grounds in the Petition and Preliminary Response. On this record, we find that the merits of Petitioner’s asserted grounds do not outweigh the other *Fintiv* factors.

7. *Summary*

As discussed above, the second, third, and fifth *Fintiv* factors favor denying institution, the fourth *Fintiv* factor slightly favors institution, and the first and sixth *Fintiv* factors are neutral. In particular, as discussed above, there is a substantial gap between the current trial date in the District Court Litigation and the projected final written decision deadline in this case, and the parties have invested substantial resources in the District Court Litigation. On balance, our holistic view of the *Fintiv* factors indicates that instituting an *inter partes* review in this case would not be an efficient use of Board resources. We, therefore, exercise our discretion under § 314(a) to deny the Petition.

III. CONCLUSION

For the reasons discussed above, we exercise our discretion under § 314(a) to deny the Petition.

IV. ORDER

It is hereby

ORDERED that the Petition is *denied*, and no trial is instituted.

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