

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE
FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE
UNITED STATES PATENT AND TRADEMARK OFFICE

CISCO SYSTEMS, INC.,
Petitioner,

v.

LIONRA TECHNOLOGIES LTD.,
Patent Owner.

IPR2024-01281
Patent 7,738,471 B2

Before JOHN A. SQUIRES, *Under Secretary of Commerce for Intellectual
Property and Director of the United States Patent and Trademark Office.*

ORDER

Granting Director Review and Reversing the Final Written Decision

Lionra Technologies Ltd. (“Patent Owner”) filed a request for Director Review of the Final Written Decision (“Decision,” Paper 26) in the above-captioned *inter partes* review (“IPR”) and Cisco Systems, Inc. (“Petitioner”) filed an authorized response. *See* Paper 27 (“DR Request”); Paper 28 (“DR Response”).¹ The Decision found claims 1–3, 5–10, 12–15, and 17–21 of U.S. Patent No. 7,738,471 B2 (“the ’471 patent”) unpatentable as obvious. Patent Owner contends the Board abused its discretion by considering a new theory of unpatentability that Petitioner presented for the first time in the Reply (Paper 15). DR Request 1.

The parties’ dispute before the Board turned on whether the combination of Cornett,² Paatela,³ and Nelson⁴—teaches “concurrently writing (1) each of said plurality of headers to a packet buffer memory and (2) each individual one of said plurality of headers to a respective protocol stack layer memory,” as recited in claim 13 (and similarly recited in claim 1) (the “concurrently writing limitation”). Decision 16.

In the Petition, Petitioner contended that no claim term of the ’471 patent required express construction. Paper 2, 13. With that understanding, Petitioner argued that Cornett and Paatela teach writing packet headers to memories, but conceded that the combination of Cornett and Paatela does not explicitly disclose the timing associated with writing the packet headers. *Id.* at 36–41. However, Petitioner argued that Nelson teaches “concurrently

¹ On July 2, 2026, Petitioner notified the Office that it was withdrawing from participating in this IPR. Ex. 3101.

² US 2006/0072564 A1, published Apr. 6, 2006 (Ex. 1005).

³ US 2006/0209840 A1, published Sept. 21, 2006 (Ex. 1007).

⁴ US 7,333,489 B1, issued Feb. 19, 2008 (Ex. 1006).

writing” packet headers to both a frame memory and a header memory. *Id.* at 42–44.

The Board, accepting Petitioner’s representation that no term required construction, declined to expressly construe any terms in the Institution Decision. Paper 6, 6. The Board further found that Petitioner showed a reasonable likelihood of succeeding on its theory of how a skilled artisan would have combined the teachings of Cornett, Paatela, and Nelson to arrive at the concurrently writing limitation. *Id.* at 7–11.

After filing the Petition, but before the Board’s Institution Decision, Petitioner served in district court a preliminary claim construction proposing to construe the concurrently writing limitation to mean “[p]lain meaning, i.e., ‘concurrently writing (1) each of said plurality of headers to a CPU main memory space used for the packet transfer and (2) each individual one of said plurality of headers (*each concurrently with each other*) to a respective protocol stack layer memory.’” Ex. 2001, 4 (emphasis added). Petitioner then argued this construction in its Responsive Claim Construction Brief filed in district court. Ex. 2004, 6. In Petitioner’s proposed district court construction, “each individual one of said plurality of headers” is written concurrently. After the Board’s Institution Decision, Patent Owner agreed to this construction in district court and the district court adopted it. Ex. 2002, 8.

In the Patent Owner Response, Patent Owner advanced the agreed upon district court construction and argued that the Petition did not show how Nelson, or any other reference, teaches “concurrently writing . . . (2) each individual one of said plurality of headers (*each concurrently with each other*) to a respective protocol stack layer memory” as in the agreed upon

district court construction. Paper 12, 12, 14–18, 20–23. In the Reply, Petitioner agreed that the Board should adopt the district court’s construction and argued that Paatela teaches the concurrently writing limitation, not Nelson as originally argued in the Petition, at least as to the “each concurrently with each other” aspect of its construction. Reply 8, 10–15.

Over Patent Owner’s objections in the Sur-reply that Petitioner advanced a new theory in the Reply (Paper 18, 11–14), the Board found, under the Reply’s theory, that the combined teachings of Cornett, Paatela, and Nelson teach the concurrently writing limitation. Decision 66–82. Citing *Axonics, Inc. v. Medtronic, Inc.*, 75 F.4th 1374 (Fed. Cir. 2023), the Board found that, because Patent Owner introduced a new claim construction in the Patent Owner Response, Petitioner must be given the opportunity to argue and present evidence of obviousness under that new construction. Decision 66–69; *see also Axonics*, 75 F.4th at 1383 (“[U]nder the [Administrative Procedure Act], when the Board adopts a new claim construction following institution, an IPR petitioner must have adequate notice and an opportunity to respond under the new construction.”).

Patent Owner argues that this case is distinguishable from *Axonics* because Patent Owner did not introduce a new construction in the Response, but instead asked the Board to hold Petitioner to the construction it proposed to the district court and the district court adopted. DR Request 7–8. Patent Owner argues that Petitioner did not establish obviousness in the Petition under its district court claim construction. *Id.* at 8–9.

Petitioner responds that, “[w]hen Patent Owner’s Response raised the additional requirement—that the individual headers also be written ‘each concurrently with each other’ to their respective protocol stack layer

memories—Petitioner addressed that additional requirement in its Reply, relying on additional disclosures from the same Paatela embodiment already cited in the Petition.” DR Response 7. Petitioner, therefore, characterizes its Reply theory as “a natural and proper progression of argument in response to a newly raised claim construction, not an inconsistency.” *Id.* I disagree that Patent Owner raised an additional requirement. Rather, Patent Owner simply applied the construction that Petitioner proposed in the district court and the district court adopted.

Further, underpinning the *Axonics* decision is that the Board must provide a petitioner with adequate “notice” of a change in claim construction such that the petitioner has “an opportunity to respond” (e.g., in a reply) with argument and/or evidence that might not have seemed significant at the time the petition was filed. *Axonics*, 75 F.4th at 1382–83 (citations omitted). Petitioner was not denied such notice and opportunity to respond in this IPR. Unlike in *Axonics*, it was *Petitioner*, not Patent Owner or the Board, who first proposed (in district court) a claim construction that differed from the construction it proposed in the Petition. Ex. 2001, 4. Although Patent Owner introduced Petitioner’s district court construction in its Response, Petitioner cannot now claim lack of notice or opportunity to respond to a claim construction that Petitioner itself proposed in the first instance. Petitioner should have advanced the district court construction in its Petition and, having failed to do so, it cannot now fault Patent Owner for that failure.

I previously have warned parties against “seemingly tak[ing] inconsistent positions, without sufficient reasoning, on overlapping issues between district court and the PTAB, suggesting that parties are misleading one tribunal or the other or pursuing alternative theories under a ‘wait and

see’ approach presumably to gain a litigation advantage and/or settlement leverage.” *Magnolia Medical Techs., Inc. v. Kurin, Inc.*, IPR2026-00097, Paper 17 at 4 (Director, May 14, 2026) (precedential). Attempts to beguile the Board into departing from its statutory role under the AIA as providers of regulatory review in an alternative forum to litigation are not well taken. Here, by arguing in the Petition that the concurrently writing limitation needs no construction while proposing a construction in district court, Petitioner has taken a “wait and see” approach that treats the Board not as an alternative forum, but as a parallel forum to advance different theories.

Because the Board abused its discretion and based its Decision on an improper new obviousness theory that Petitioner first presented in the Reply, and because the original theory presented in the Petition does not establish obviousness under the claim construction that the parties agreed to and the Board (and the district court) adopted, the Decision must be reversed.

Accordingly, it is:

ORDERED that Director Review is granted;

FURTHER ORDERED that the Final Written Decision (Paper 26) is reversed; and

FURTHER ORDERED that Petitioner does not establish, by a preponderance of the evidence, that claims 1–3, 5–10, 12–15, and 17–21 of the ’471 patent are unpatentable.

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FOR PETITIONER:

Theodore M. Foster
David L. McCombs
Calmann J. Clements
HAYNES AND BOONE, LLP
ipr.theo.foster@haynesboone.com
david.mccombs.ipr@haynesboone.com
calmann.clements.ipr@haynesboone.com

FOR PATENT OWNER:

Brett E. Cooper
Seth Lindner
BC LAW GROUP, P.C.
bcooper@bc-lawgroup.com
slindner@bc-lawgroup.com

Robert A. Auchter
AUCHTER PLLC
robert@auchterlaw.com