

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HP INC., DELL TECHNOLOGIES INC., DELL INC., AND
LENOVO (UNITED STATES) INC.,

Petitioners,

v.

UNIVERSAL CONNECTIVITY TECHNOLOGIES INC.,

Patent Owner.

Case IPR2024-01478
U.S. Patent No. 8,680,712

**PATENT OWNER'S PRELIMINARY RESPONSE
TO THE PETITION**

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Exhibit No.	Description
2001	U.S. District Courts—Federal Court Management Statistics—Profiles—During the 12-Month Periods Ending June 30, 2019 Through 2024
2002	Lenovo Group Limited’s Invalidity Contentions, <i>Universal Connectivity Technologies Inc. v. Lenovo Group Limited</i> , No. 2:23-cv-00449-JRG (E.D. Tex. July 24, 2024)
2003	Dell Technologies Inc. and Dell Inc.’s Invalidity Contentions, <i>Universal Connectivity Technologies Inc. v. Dell Inc.</i> , No. 1:23-cv-01506-RP (W.D. Tex. July 24, 2024)
2004	HP Inc.’s Invalidity Contentions, <i>Universal Connectivity Technologies Inc. v. HP Inc.</i> , No. 4:24-cv-04097-YGR (N.D. Cal. December 5, 2024)

I. INTRODUCTION

Petitioners have failed to show a reasonable likelihood of success in demonstrating any of the challenged claims are obvious over the cited prior art. In Grounds 1 and 2, Petitioners acknowledge that the cited prior art discloses the opposite of the claimed “signature resistor” functionality and then attempt to justify their challenge based on a vague and incorrect interpretation of district court infringement contentions. In Grounds 3-5, Petitioners present another unsupported argument that ignores key limitations regarding the claimed “signature resistor.” The Board need not consider Ground 6, which challenges only claims 7 and 9 as anticipated, because Patent Owner intends to file a statutory disclaimer of those claims. *See* § II. Institution should also be denied on discretionary grounds in light of the advanced stage of relevant district court litigation and the extensive overlap in issues concerning validity. Accordingly, Petitioners have shown no reasonable likelihood of success, and the Board should deny institution of the ’712 Petition.

II. STATUTORY DISCLAIMER

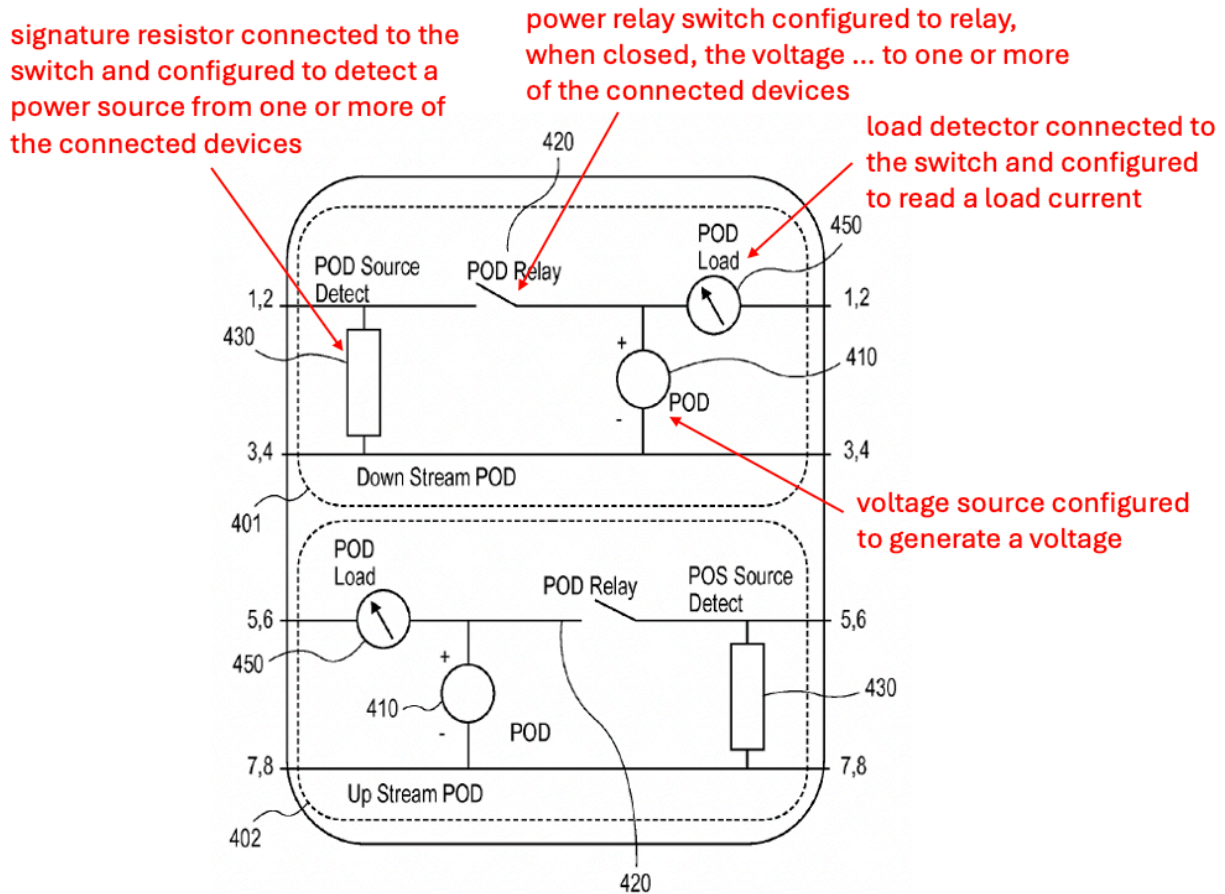
Patent Owner intends to file a statutory disclaimer disclaiming claims 7 and 9 of the ’712 patent. Patent Owner makes this disclaimer

solely in the interest of streamlining the process of confirming validity of challenged claims 1, 2, 3, and 5, which are the only claims challenged in Grounds 1-5.

III. OVERVIEW

A. The '712 Patent

The '712 patent describes and claims a power delivery circuit that is configured to deliver power to devices connected in a network. In one embodiment, for example, the power delivery circuit comprises four recited circuit elements that are arranged and configured to provide the claimed functionality. These circuit elements include (1) a voltage source configured to generate a voltage, (2) a power relay switch configured to relay the voltage to a connected device, (3) a signature resistor connected to the switch and configured to detect a power source from a connected device, and (4) a load detector connected to the switch and configured to read a load current to detect a load in a connected device. EX1001, 1:53-62, 4:35-50.



B. Claim Construction

For purposes of *inter partes* review, disputed claim terms are construed to give them “the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention.” See 83 Fed. Reg. 51341 (Oct. 11, 2018) (adopting the standard of *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312-13 (Fed. Cir. 2005)). The proper construction is considered in the context of, and must be consistent with, the specification—and the claim language should be read

in light of the specification as it would be interpreted by one of ordinary skill in the art. *See, e.g., Phillips*, 415 F.3d at 1313.

“[T]he petition must set forth ... [h]ow the challenged claim is to be construed.” 37 C.F.R. § 42.104(b)(3). In addition, “where a party believes that a specific term has meaning other than its plain meaning, the party should provide a statement identifying a proposed construction of the particular term and where the disclosure supports that meaning.” *See* Trial Practice Guide, 77 Fed. Reg. at 48,764. The Board has denied institution when “the dispute requires a determination of the meaning of a claim limitation” but the petitioner does not provide “an adequate claim construction analysis” or “adequately or persuasively explain[s] why a person of skill in the art reading the claim in light of the Specification” would have understood it the prior art disclosures to satisfy the disputed limitation. *See Mediatek, Inc. v. Mosaid Technologies Inc.*, IPR2024-00718, Paper 10 at 18-20 (PTAB October 9, 2024) (Institution Decision).

“a signature resistor connected to the switch and configured to detect a power source from one or more of the connected devices”

Here, even though Petitioners plainly recognize a claim construction dispute, they provide no evidence of how “*a signature resistor connected to the switch and configured to detect a power source*

from one or more of the connected devices” (hereinafter “signature resistor limitation”) would be understood in light of the specification. Instead, notwithstanding its express contention that “[c]onstruction of any terms is unnecessary,” (Pet. 10), Petitioners rely on “Patent Owner’s understanding” of the signature resistor limitation, which Petitioners purportedly derive from district court infringement contentions. Pet. 38-40; 54-56; 66-67. Yet Petitioners provide no express construction of this limitation. Instead, they ambiguously contend that a PSE operates “like a USB-C source” in that it “detects a resistance in a connected device to determine whether a PD (i.e., a sink) is connected.” Pet. 39. But Petitioners’ allegations as to similarities between a USB-C source and a PSE source do not explain how the claims are to be construed, as is Petitioners’ obligation.

Even if Petitioners had adequately articulated a construction, their interpretation of litigation infringement contentions is not a reasoned explanation of how a POSITA would understand the “signature resistor” limitation **based on the specification of the ’712 patent**. Petitioners provide no support whatsoever for the interpretations they attempt to apply and even explicitly acknowledge disagreeing with them. Pet. 38.

Thus, Petitioners takes two conflicting positions, neither of which is correct. First, Petitioners say that no terms require construction, despite expressly recognizing a claim construction dispute. Pet. 10. Then, Petitioners attempt to map the prior art to the “signature resistor” limitation based ambiguously on “Patent Owner’s understanding” of the limitation, which Petitioners purport to derive from district court infringement contentions. Yet, Petitioners provide no support for this mapping based on the disclosures of the ’712 patent. Thus, the Petition does not identify “with particularity . . . the **evidence** that supports the grounds for the challenge to each claim.” *See Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1363 (Fed. Cir. 2016) (citing 35 U.S.C. § 312(a)(3)). The Board should deny institution based on Petitioners’ failure to meet their burden as to claim construction of the “signature resistor” limitation.

C. Person of Ordinary Skill in the Art

A person of ordinary skill in the art of the subject matter of the ’712 patent would have the equivalent of a bachelor’s degree in electrical engineering, computer engineering, computer science, or equivalent training and three years of work experience with electrical interfaces

involving power and/or data transfer. Additional education may compensate for lesser work experience, and vice versa.

D. Prior Art

1. Biederman (EX1005)

Exhibit 1005 (“Biederman”) purports to describe networking equipment that is powered by and/or powers other networking equipment via wired connections. EX1005, [0013]. Biederman describes a network device capable of providing power to a connected device as “power source equipment” or “PSE.” A network device, e.g., IP telephone or surveillance camera, that receives power from a connected device is referred to as a “powered device” or “PD.” EX1005, [0013]-[0014]. “Power over Ethernet” or “PoE” is “a technology for providing electrical power over a wired data telecommunications network ... from power source equipment (PSE) to a powered device (PD) over a link section. EX1005, [0013]. Biederman also discloses that “a networked device may have a data communications port which may operate as a powered device (PD) under certain circumstances, may be off for power purposes under other circumstances and may operate as power sourcing equipment (PSE) under yet other circumstances.” *Id.*, [0032].

According to Biederman, a device may “monitor conditions such as a state of charge of a battery or availability of power received” to enable either PD or PSE mode of operation. *Id.*, [0038]. For example, in reference to Figure 6, Biederman describes a first mode where “PSE/PD block 78 operates as a PSE,” a second mode where “PSE/PD block 78 operates as a PD,” a third mode where “PSE/PD block 78 may be turned off so that no inline power is passed,” and a fourth mode where “PSE/PD block 78 may be set to be both PSE and PD.” *Id.*, [0039].

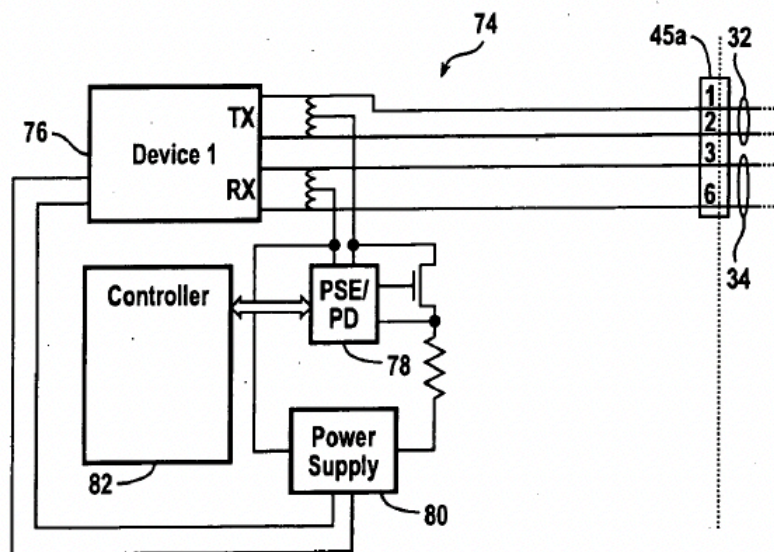


FIG. 6

EX1005, Fig. 6. As Biederman describes, in this fourth mode the interface is “supplying power to itself.” *Id.*, [0041]. In reference to Figure 7, Biederman explains “operation of the bidirectional inline power port in

deciding which mode of operation to assert” and various mechanisms by which connected devices can communicate power requirements to each other. *Id.*, [0040]-[0042].

2. IEEE 802.3af (EX1006)

Exhibit 1006 (“IEEE 802.3af”) purports to describe a “protocol allowing detection of a device that requires power.” EX1006, 27. Like Biederman, IEEE 802.3af distinguishes “Power Sourcing Equipment” or “PSE” from a “Powered Device” or “PD.” EX1006, 41 (§ 33.2), 39 (§ 33.1.1). IEEE 802.3af describes that a “PSE’s main functions are to search the link section for a PD, optionally classify the PD, supply power to the link section (only if a PD is detected), monitor the power on the link section, and scale back to the detect level when power is no longer requested or required.” EX1006, 41 (§ 33.2).

IEEE 802.3af also discloses a process whereby a PSE is able to detect an attached PD. “The PSE probes the link section in order to detect a valid PD detection signature.” *Id.*, 51 (§ 33.2.6). IEEE 802.3af discloses “detection criteria” as follows:

33.2.6.1 Detection criteria

A PSE shall accept as a valid signature a link section with both of the following characteristics between the powering pairs with an offset voltage up to V_{os} max and an offset current up to I_{os} max, as specified in Table 33-2:

- a) Signature resistance R_{good} , and
- b) Parallel signature capacitance C_{good} .

Id., 51 (§ 33.2.6.1). When a PD “is in a state where it will accept power,” IEEE 802.3af says the “PD shall present a valid detection signature.” *Id.*, 63 (§ 33.3.3). A valid detection signature, according to IEEE 802.3af, is one where the effective resistance—calculated as the V-I slope based on two voltage/current measurements—and other parameters (e.g., input capacitance) are within a specified range. *Id.*, 63-64 (Table 33-8).

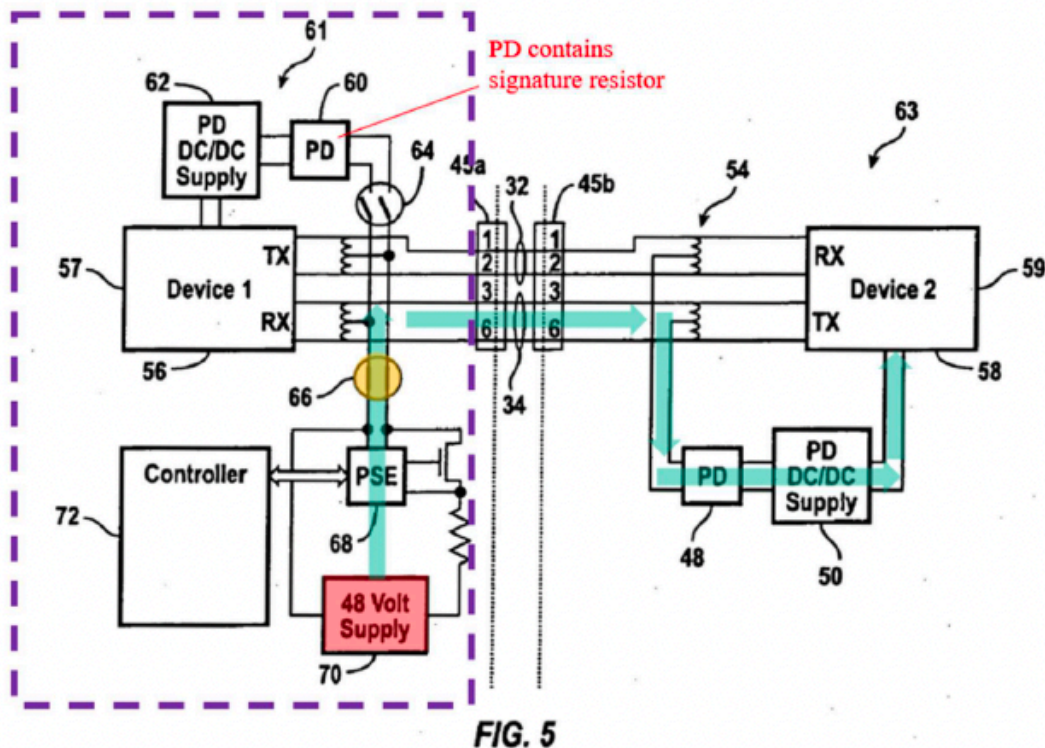
IV. PETITIONERS FAIL TO DEMONSTRATE A LIKELIHOOD OF SUCCESS IN FINDING ANY OF THE CHALLENGED CLAIMS UNPATENTABLE

A. Grounds 1 and 2: Claims 1, 2, 3, and 5 are not obvious over Biederman in view of IEEE 802.3af and Karam

Grounds 1 and 2 fail to show any reasonable likelihood that Biederman in combination with IEEE 802.3af and/or Karam renders obvious “*a signature resistor connected to the switch and configured to detect a power source from one or more of the connected devices*” (limitation 1.c). By Petitioners’ own admission, the alleged “signature resistor” in the Biederman-802.3af or Biederman-

Karam combination functions “to be detected” by a device connected to the claimed “power delivery circuit.” But the claims recite a signature resistor “configured to detect” a power source from a connected device. These combinations do not satisfy the limitation and do not render obvious any of the challenged claims.

Petitioners identify PD 60 in Biederman and argue that (in view of IEEE 802.3af and Karam) PD 60 would include a signature resistor satisfying limitation 1.c. Pet. 35-37.



EX1005, Fig. 5 (color annotations added in Petition at 37). The Petition includes an explanation of a detection and classification process between

power sourcing equipment (PSE) and a powered device (PD). Pet. 35-36. That process, according to Petitioners, involves a PSE attempting to identify a connected device as a PD to which the PSE should send power. Pet. 38. Petitioners thus allege that in Biederman's Figure 5, for example, a device depicted on the left that includes port 61 would attempt to detect a connected device on the right that includes port 63 to determine if port 63 requires power to be sent from port 61. *Id.* According to Petitioners, a port requiring power identifies itself by presenting a valid signature resistance that can be detected by a connected PSE. Pet. 36. In Biederman's Figure 5, this would mean that PD 48 (lower right) would present a signature resistance to be detected by PSE 68 (lower left). Thus, according to Petitioners, a signature resistance is presented by a PD in one device to be detected by a PSE in another device. Pet. 38. Petitioners also alleges that PD 60 would include a signature resistor that could be detected by a PSE in a connected device. *Id.*

Petitioners' argument that a signature resistor in a PD configured "to be detected" by a PSE in a connected device satisfies the claims is flawed. Claim 1 recites a "resistor ... configured to detect a power source," not a resistor configured to be detected by a power source. Thus, under

the plain meaning of the limitation, the alleged signature resistor in Biederman (in view of IEEE 802.3af or Karam) does not render obvious claim 1 (or any of its dependents). Indeed, the Petition itself contends that the Biederman/IEEE 802.3af/Karam combination would include a resistor “to be detected” by a power source, not a resistor configured to detect a power source. *Id.*

After acknowledging that the alleged “signature resistor in the PD block 60 [of Biederman] is configured *to be detected by* a connected PSE,” Petitioners attempt to argue that such a configuration—although plainly opposite of what claim 1 recites—satisfies the claim because “Patent Owner has pointed to a similar configuration” in district court infringement contentions (Exhibit 1011). Pet. 38. This is wrong for at least two reasons.

First, the allegedly “similar configuration” identified in Patent Owner’s infringement contentions is markedly different from the Biederman combinations relied upon in the Petition. The infringement contentions make no allegation that a resistor presented by one device to be detected by another device is “*a signature resistor connected to the switch and configured to detect a power source from one or more of the*

connected devices.” To the contrary, EX1011 alleges that a USB-C DRP port presents “resistors to detect whether the USB-C port of the other USB-C device is attached as a power source.” EX1011, 13. Petitioners’ argument that, in a USB-C device, the presented Rd pull down resistors “do not by themselves *detect* a connected power source” is irrelevant. Pet. 38. Petitioners contend only that Biederman would include resistors configured to be detected, and present no argument that the alleged resistor in PD block 60 is configured to detect a connected power source, regardless of whether such detection also involves other circuitry. *Id.*

Second, even if the configuration identified in the district court infringement contentions were similar to the alleged prior art combination, which it isn’t, merely pointing to those contentions does not explain “[h]ow the challenged claim is to be construed.” 37 C.F.R. § 42.104(b)(3). Neither Patent Owner nor the Board should be forced to parse through Petitioners’ description of how a USB-C Source functions to decipher what Petitioners believe is “Patent Owner’s understanding” of this claim limitation. In addition, Petitioners do not explain how any construction it attempts to extract from infringement contentions is consistent with the meaning of the “signature resistor” limitation in light

of the '712 patent specification. *See* Pet. 38-40. In fact, Petitioners admit that they “do not agree” with the claim scope implied by the district court infringement contentions. Pet. 39.

Thus, Grounds 1 and 2 have no reasonable likelihood to succeed. The Petition admits that the alleged “signature resistor” in Biederman (in view of IEEE 802.3af and Karam) is not “configured to detect a power source.” It then attempts to disregard the plain meaning of “to detect” and replace it with “to be detected” based on Petitioners own flawed interpretation of district court infringement contentions.

Because claims 2, 3, and 5 depend from claim 1, and Petitioners rely entirely on their claim 1 arguments as to the “signature resistor” limitation for Grounds 1 and 2, Petitioners’ challenges to claims 2, 3, and 5 must also fail. The Board should deny institution of Grounds 1 and 2.

B. Grounds 3, 4, and 5: Claims 1, 2, 3, and 5 are not obvious over Biederman in view of any combination of IEEE 802.3af, Karam, and/or Penning

Under Grounds 3, 4, and 5, Petitioners allege that Penning (EX1008) would be combined with Biederman, IEEE 802.3af, and/or Karam in the following combinations: Biederman in view of IEEE 802.3af and Penning; Biederman in view of Karam and Penning; or Biederman

in view of IEEE 802.3af, Karam, and Penning. Petitioners rely on Penning for two limitations (1[c] and 1[e]), and otherwise make no changes to their previously presented mappings under Grounds 1 and 2. Pet. 61. Petitioners' challenge as to the "signature resistor" limitation (1[c]) is flawed, and the Board should not institute on Grounds 3, 4, or 5 on this basis.

1. Petitioners rely on an unsupported construction of the "signature resistor" limitation

In Grounds 3-5, Petitioners again attempt to import a claim construction for the "signature resistor" limitation based on their skewed interpretation of district court infringement contentions. Pet. 66. Petitioners contend that the district court infringement contentions "suggest ... that this 'signature resistor' limitation is met by the combination of (a) pull-up and pull-down resistors that combine in a signal path to form a signal that is detected by (b) a voltage monitoring detection circuit of a USB-C device." *Id.* (citing EX1011 at 13-16). Petitioners then generalize this interpretation further to argue that the "signature resistor" limitation is met by "the combination of at least one resistor and a voltage monitoring detection circuit for detecting the resistor." Pet. 66. Absent from Petitioners' argument is any support in

the '712 specification. Thus, just as they did for Ground 1, Petitioners fail to provide sufficient evidence (e.g., the '712 specification) to support their arguments for unpatentability.

2. Alleged mapping in Grounds 3-5 is flawed

Even if Petitioners had provided evidence or argument to justify their adopted meaning of “signature resistor,” Petitioners still have not adequately applied the prior art to the claims based on that meaning. For example, Petitioners argue that (1) Penning teaches the use of current or voltage detectors to detect connected power sources and send signals to a controller to switch between them, and (2) Penning’s current detectors could be current sense resistors comprising a resistor and a voltage measuring element, which together form a “signature resistor.” *Id.* But claim 1 does not recite a “signature resistor” in isolation, and Petitioners ignore the surrounding claim language reciting, for example, that the signature resistor is “connected to the switch.”

Claim 1 recites specific connections between various recited components. For example, limitation 1[c] recites “a signature resistor connected to the switch and configured to detect a power source from one or more of the connected devices.” The recited “switch” also appears in

limitations 1[b] (“a power relay switch configured to relay... the voltage generated by the voltage source ...”) and 1[d] (“a load detector connected to the switch ...”). In Grounds 1 and 2, Petitioners contend that Biederman’s PD block 60 contains a “signature resistor” connected to switch 66, which is the alleged “power relay switch.” Pet. 33-34.

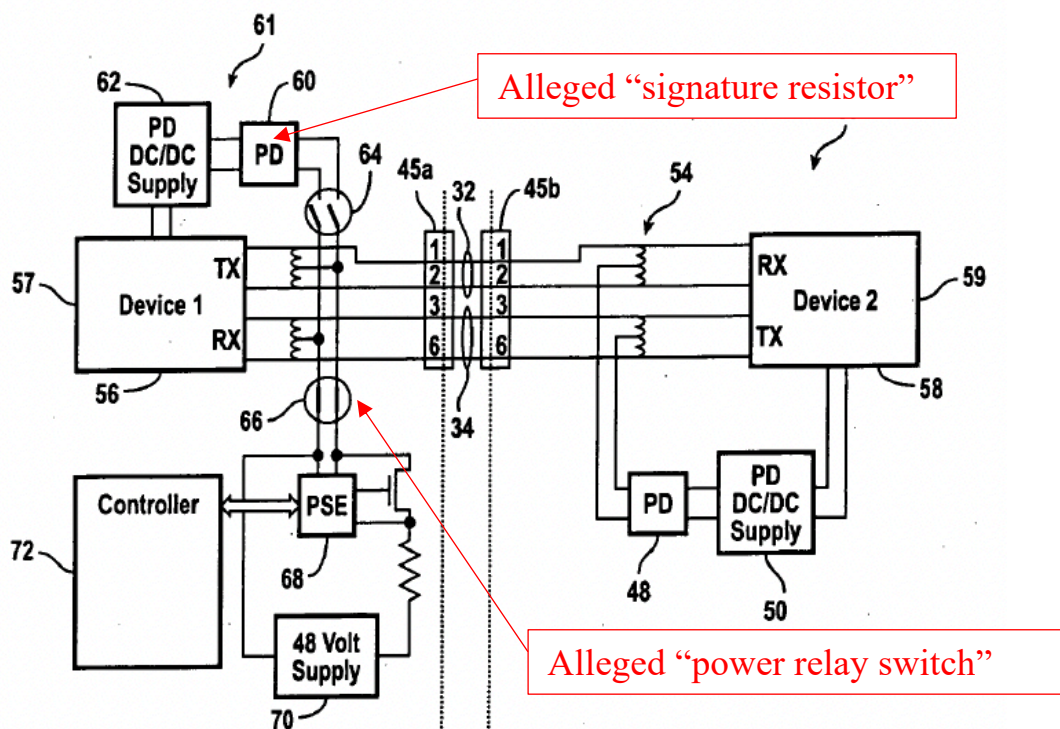


FIG. 5

EX1005 (Biederman) at Fig. 5 (annotations added). Yet, in Grounds 3-5, Petitioners rely upon Penning’s “Power Detector 350” and contend that it is connected to “switch 380,” which Petitioners say “may be a relay.” Pet. 63-64.

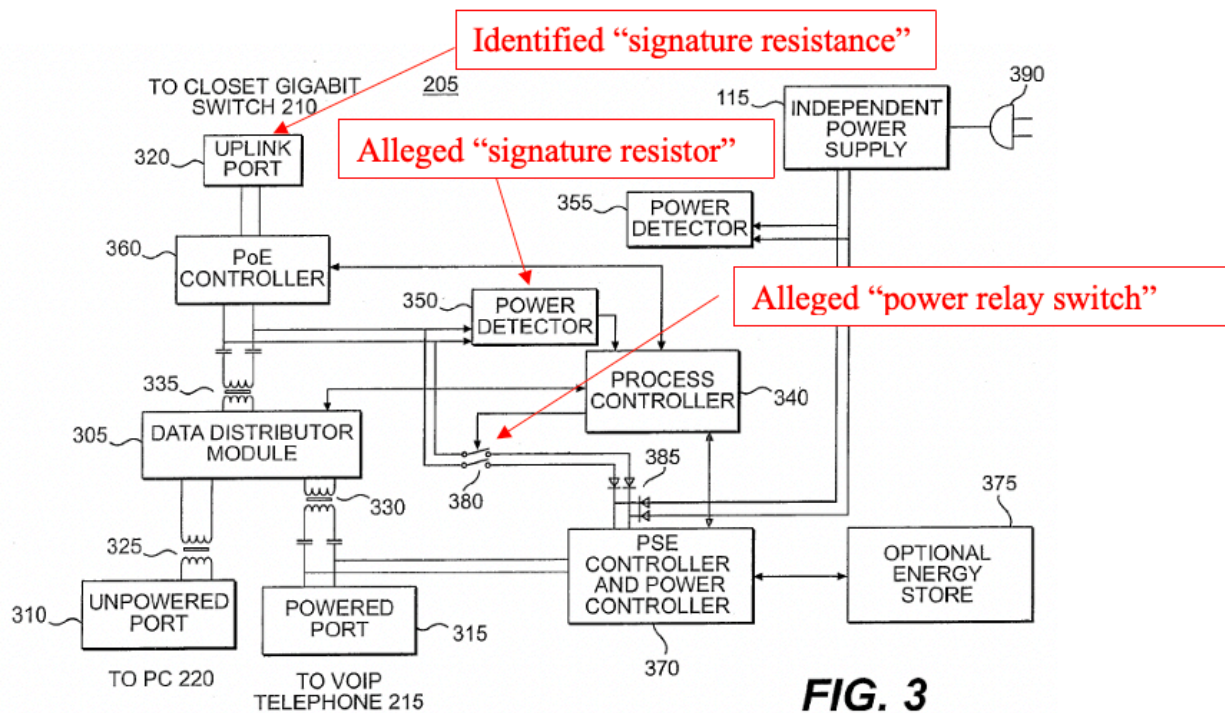


FIG. 3

EX1008 (Penning) at Fig. 3 (annotations added). Penning's Figure 3 shows that power detector 350 and switch 380 are each connected to the output (bottom side) of PoE controller 360, not to uplink port 320. Without explanation, the Petition also says that if the device in Figure 3 is powered locally, "processor controller 340 signals PoE controller 360 to set a signature resistance on uplink port 320." Pet. 64 (emphasis added). But the Petition provides no explanation as to how these identified components in Penning would, when applied to the device in Biederman, map to the claimed power delivery device. Pet. 66-67. Thus, Petitioners' allegations in Grounds 3-5 present only a conclusory mapping of the

claims to the prior art combinations involving Penning. *See, e.g.*, Pet. 65 (“[t]hus in the combination PSE/PD device of Biederman as modified by Penning, the device includes current sense resistors, each one comprising a resistor and a sensor for measuring the voltage drop across the resistor (the resistor and sensor together comprising the claimed ‘signature resistor’)”); *id.* 67 (“[t]his combination of resistor and voltage measuring element constitutes the claimed ‘signature resistor’”). Petitioners have not adequately shown how Biederman would be modified or how those modifications would include the claimed configuration of power relay switch connected to both a signature resistor and a load detector.

If Petitioners intention was to argue that the alleged signature resistor in Biederman—i.e., a resistor that Petitioners contend would be included in Biederman’s PD 60 as part of the “detection” process described in Karam and IEEE 802.3af (*see* Pet. 35-37) —would simply be replaced with the combination of a resistor and voltage measuring element from Penning, this argument is unsupported. As the Petition acknowledges, Penning itself discloses that the PoE controller would set a signature resistance on uplink port 320 “in accordance with IEEE 802.3af to inform closet gigabit switch 210 that device 205 does not

require power.” Pet. 63. But this purported signature resistance is entirely separate from Penning’s power detector 350. *See, e.g.*, EX1008, [0056], Fig. 3. And Petitioners offer no explanation of how or why a POSITA would understand Penning to suggest that its power detector should be used in place of the “signature resistance” allegedly mandated by IEEE 802.3af.

3. Petitioners have not shown any motivation to combine Penning with Biederman, IEEE 802.3af, and/or Karam

Petitioners rely on two arguments regarding the motivation to combine Biederman with Penning, but neither is persuasive. **First**, Petitioners argue that although Biederman mentions providing backup power at locations where power is available, “Biederman is silent as to how a device ... would detect and select between sources of power, such as a PSE and a local power supply.” Thus, Petitioners argue, a POSITA would look to Penning’s “power detector.” Pet. 62. This is incorrect. Biederman is not “silent” as to how a device would detect sources of power and select between them. Indeed, Biederman expressly discloses that “controller 72 ... may monitor conditions such as a state of charge of a battery or availability of power received through PD block 60, or the like, to determine the state of switching circuitry **64** and **66** and hence the

mode of operation.” EX1005, [0038]. As Biederman further discloses, switching circuitry 64 and 66 are used to selectively couple PSE block 68 and/or PD block 60 to interface 45a. *Id.*, [0038]. And Biederman describes various modes of operation based on the device’s power needs (i.e., “PD, PSE, none, and (if desired) PSE+PD operation”). EX1005, [0041]. Petitioners ignore this disclosure.

Second, Petitioners contend that a POSITA would be motivated to modify Biederman “to boost data transfer rates,” which, according to Petitioner, could be achieved by using a separate power source so that wiring between could be dedicated to data transfer. Pet. 65. Yet Petitioners ignore that Biederman already includes a separate power source “which may be a conventional grid-powered or battery-powered power supply.” EX1005, [0039].

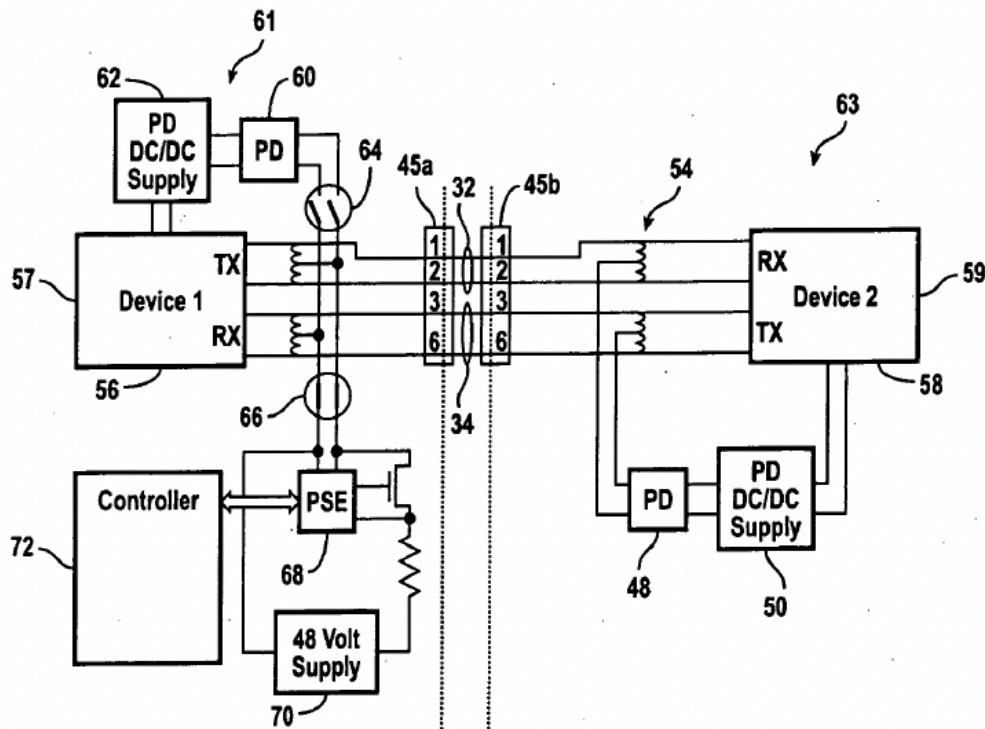


FIG. 5

EX1005 (Biederman), Fig. 5. Biederman also describes operating modes where the power transmission circuitry is turned off so that no power is transmitted between connected devices and the wired connection (i.e., “TX” and “RX” wiring) can be used for data transmission only. EX1005, [0039] (“PSE/PD block 78 may be turned off so that no inline power is passed”) (emphasis added).

Thus, neither of the alleged motivations to modify Biederman is supported by the record. Without any motivation, Petitioners' alleged

combination is purely an attempt at hindsight reconstruction of the challenged claims, which is impermissible.

V. THE *FINTIV* FACTORS WEIGH AGAINST INSTITUTION

The Board has discretion under 35 U.S.C. § 314(a) to deny institution of the requested *inter partes* review due to the advanced state of parallel district court litigation regarding the same issues. *See NHK Spring Co. v. Intrix-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential, designated May 7, 2019). The Board has set forth six factors (known as the “Fintiv factors”) for determining whether discretionary denial is appropriate:

- whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
- proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
- investment in the parallel proceeding by the court and the parties;
- overlap between issues raised in the petition and in the parallel proceeding;
- whether the petitioner and the defendant in the parallel proceeding are the same party; and
- 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, designated May 5, 2020) (“*Fintiv I*”); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 7-8 (PTAB May 13, 2020)

(decision denying institution of inter partes review) (“*Fintiv II*”). “These factors relate to 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.” *Fintiv I* at 6. In evaluating the factors, “the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.*

As set forth below, each *Fintiv* factor weighs against institution. To avoid duplication of efforts, wasting resources, and potentially inconsistent decisions, the Board should deny institution.

A. Factor 1: No stay has been entered in the LGL Case and there is no evidence that a stay will be granted

There are presently four active district court cases involving the ’712 patent: one pending in the Eastern District of Texas (*Universal Connectivity Technologies Inc. v. Lenovo Group Limited*, No. 2:23-cv-00449-JRG (the “LGL Case”)); one pending in Delaware (*Lenovo (United States) Inc. v. Universal Connectivity Technologies Inc.*, No. 1:24-cv-

01126-RGA (the “Lenovo US Case”)¹; one pending in the Northern District of California (*Universal Connectivity Technologies Inc. v. HP Inc.*, No. 4:24-cv-04097-YGR (the “HP Case”))²; and one pending in the Western District of Texas (*Universal Connectivity Technologies Inc. v. Dell Inc.*, No. 1:23-cv-01506-RP (the “Dell Case”))³. The LGL Case is proceeding ahead of the other three cases, with a jury trial set to begin in November 2025. LGL has not filed a motion to stay in the LGL Case, nor is there any evidence to suggest a stay would be granted if such a motion was filed.

The LGL Case is not in its early stages. Jury selection is scheduled for later this year, on November 3, 2025. *See* Case No. 2:23-cv-00449-

¹ Lenovo US case is a declaratory judgment action filed by LGL’s wholly-owned, U.S.-based subsidiary Lenovo (United States) Inc., over a year after the LGL Case was filed. On December 2, 2024, UCT filed a Motion to Dismiss the Lenovo US Delaware action based on the first-to-file rule. *See* Case No. 1:24-cv-01126-RGA, Dkt. 10. Lenovo US filed its response on January 6, 2025, and UCT’s reply is due on January 20, 2025.

² HP filed a motion to stay in the HP Case which was denied. *See* HP Case, Dkt. No. 92.

³ Dell filed a motion to stay in the Dell Case which was granted. *See* Dell Case, Dkt. No. 69.

JRG at Dkt. No. 27. This is “a deadline that cannot be changed without an acceptable showing of good cause. Good cause is not shown merely by indicating that the parties agree that the deadline should be changed.” *Id.* at 5. Fact discovery – including extensive third-party discovery - is ongoing. An institution decision on the ’712 IPR Petition is not due until April 2025. By that date, the parties will have substantially completed the claim construction process, with the *Markman* hearing scheduled for May 12, 2025. *See id.* at 4. A Final Written Decision would not be due until April 2026, five (5) months after trial is scheduled to begin. *See id.* at 1.

It is unlikely that a stay would be granted in the LGL Case at this time. *Trover Group, Inc. v. Dedicated Micros USA*, No. 2:13-cv-1047-WCB, 2015 WL 1069179, at *6 (E.D. Tex. Mar. 11, 2015) (Bryson, J.) (“This Court’s survey of cases from the Eastern District of Texas shows that when the PTAB has not yet acted on a petition for inter partes review, the courts have uniformly denied motions for a stay.”); *see also Samsung Elecs. Co. Ltd. v. Evolved Wireless LLC*, IPR2021-00950, Paper 10 at 10-11 (PTAB Nov. 29, 2021) (“*Evolved*”) (finding this factor weighed in favor of denial and denying institution where patent owner showed a

stay was unlikely based on the advanced stage of the case and the court's past decisions denying stays); *Samsung Elecs. Co. Ltd. v. Clear Imaging Research, LLC*, IPR2020-0152, Paper 12 at 12-13 (PTAB Mar. 3, 2021) (denying institution because, in part, Judge Gilstrap deemed unlikely to stay a case in similar circumstances).

The Eastern District of Texas is likely to find that a stay in this situation would unduly prejudice UCT, disfavoring a stay. *See, e.g., MyPort, Inc. v. Samsung Electronics Co., Ltd., et al.*, No. 2:22-cv-00114-JRG, Dkt. No. 73 (E.D. Tex. June 12, 2023) at 4 (Noting that patent owner has an interest in the timely enforcement of its patent rights and that granting a stay could delay the case by nearly two years where the PTAB decision is not due until over two months after jury trial is set to begin.). The district court is also likely to find that the stage of litigation disfavors a stay. As noted above, by the date an institution decision is due in this proceeding, the parties will have substantially completed claim construction in the district court litigation and, as further evidenced by the docket sheet, a substantial amount of work and financial resources have been invested in the district court case. Under similar

circumstances, the district court has found that the stage of litigation disfavors a stay. *Id.* at 5.

Moreover, because LGL has asserted multiple invalidity theories and there are other defendants who are asserting invalidity defenses, a stay in the district court would be unlikely to simplify the issues. As district courts have recognized, when a party has raised multiple invalidity theories that will not go before the PTAB, a stay would leave in limbo these invalidity theories that will not go before the Board, weighing against a stay. *Id.* at 5-6.

As explained by the Board, a stay of the district court litigation pending resolution of the PTAB proceedings “allays concerns about inefficiency and duplication of efforts.” *Fintiv I* at 6; *Fintiv II* at 12. But here, the district court has not stayed the pending litigation, nor is there any evidence that a stay will be granted. Allowing this IPR to proceed simultaneously with the district court litigation would be wasteful and inefficient. This factor weighs against institution.

B. Factor 2: The proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision.

The ’712 Petition was filed on October 1, 2024, a decision whether to institute is expected approximately on April 21, 2025, and, if instituted, any final written decision is expected approximately on April 21, 2026. 37 C.F.R. § 42.100.

Jury selection in the LGL Case is scheduled to begin on November 3, 2025. *See* LGL Case, Dkt. No. 27 at 1. This is “a deadline that cannot be changed without an acceptable showing of good cause. Good cause is not shown merely by indicating that the parties agree that the deadline should be changed.” *Id.* at 5.

Even if the Board disregards the scheduled trial date, an analysis of the current median time-to-trial statistics still weighs against institution. *See* EX2001, U.S. District Courts—Federal Court Management Statistics—Profiles—September 30, 2024 Reporting Period. The most recent statistics, for a 12-month period ending September, 2024, show a median time-to-trial in the Eastern District of Texas of 21.6 months. *Id.* at 35. Accordingly, the projected trial date for purposes of *Fintiv* in accordance with Director’s June 21, 2022 Memorandum on

Discretionary Denials would be in July 2025 – close to the scheduled trial date and more than nine months before the expected timing of a Final Written Decision if proceedings are instituted.

This factor weighs against institution.

C. Factor 3: The parties and the courts have made a substantial investment in the parallel proceeding.

This factor relates to the “amount and type of work already completed in the parallel litigation by the court and the parties at the time of the institution decision.” *Fintiv I* at 9 (emphasis added). For example, “if, at the time of the institution decision, the district court has issued substantive orders related to the patent at issue in the petition,” this factor favors denial. *Id.* at 9-10. Claim construction orders entered by the district court likewise “indicate that the court and parties have invested sufficient time in the parallel proceeding to favor denial.” *Id.* at 10.

As discussed above, fact discovery between the parties is ongoing in the LGL Case. In addition, UCT has conducted extensive third-party discovery from LGL’s suppliers. By the date the institution decision is due, the parties will have substantially completed the claim construction process with the *Markman* hearing scheduled for May 12, 2025. *See* LGL

Case, Dkt. No. 27 at 5. As shown in the district court docket sheet, the courts and the parties have made a substantial investment in the LGL Case to date: the parties have already having briefed, and the Court has denied, LGL’s Motion to Dismiss (*see* LGL Case, Dkt. Nos. 47) and the parties have already briefed, and the Court has granted, UCT’s Motion to Compel (*see* LGL Case, Dkt. Nos. 44).

Thus, the parties and the district court will have invested significant time and resources in the litigation by the time the Board reaches an institution decision in this matter. This favors discretionary denial. *Fintiv I* at 10; *Fintiv II* at 13-14 (finding that “the level of investment and effort already expended on claim construction and invalidity contentions” favored denial).

D. Factor 4: There is complete overlap between this IPR and the LGL Case

This factor looks at “whether all or some of the claims challenged in the petition are also at issue in district court,” and whether the “petition includes the same or substantially the same claims, grounds, arguments, and evidence” as the parallel district court case. *Fintiv I* at 12-13.

Here, Petitioners have challenged all of the asserted claims of the ’712 patent. For example, LGL’s Preliminary Invalidity Contentions in

the district court case identify the same Biederman, Karam, Penning, and IEEE 802.3af references asserted in the Petition. *See* EX2002, LGL Invalidity Contentions, Exs. E-1, E-2, E-3, E-17 at 1, 46, 94, and 135. Likewise, the other two Petitioners – HP and Dell – also identified the same references in their invalidity contentions. EX2003, Dell Invalidity Contentions, Exs. E-1, E-2, E-3, E-17 at 1, 46, 94, and 135; EX2004, HP Invalidity Contentions, Exs. E-1, E-2, E-3, E-17 at 1, 41, 85, and 122.

Thus, there is complete overlap with respect to the arguments and evidence presented here and in the district court litigation for each of Grounds 1-5. That the district court case involves additional prior art references not asserted in this IPR is “not relevant to the question of the degree of overlap for this factor.” *Fintiv II* at 15.

Notably, none of the Petitioners have stipulated to not pursue in a parallel district court proceeding the same grounds as in the petition or any grounds that could have reasonably been raised in the petition (*i.e.*, a Sotera stipulation). Had the Petitioners done so, that could mitigate concerns of potentially conflicting decisions and duplicative efforts between the district court and the PTAB. *See Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 18-19 (PTAB Dec. 1, 2020)

(precedential as to § II.A). Those concerns are particularly relevant when, as here, the Petitioners are asserting the same prior art in the district court and the PTAB, guaranteeing duplicative efforts between the district court and the PTAB and potentially conflicting decisions.

In sum, this IPR and the district court case involve the same claims—which will be construed under the same *Phillips* standard—and the same prior art (and, as discussed below, the same parties), which raises substantial “concerns of inefficiency and the possibility of conflicting decisions.” *Fintiv I* at 12. This factor thus weighs in favor of a discretionary denial. *See Fintiv II* at 15; *NHK Spring* at 19–20.

E. Factor 5: Petitioner is the defendant in the LGL Case

There is no dispute that Petitioners are defendants in the LGL Case, Dell Case, and HP Case. “Because the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial.” *Fintiv II* at 15.

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

The Board may consider other circumstances in the exercise of its discretion, including the merits of the case. *Fintiv I* at 14. However, “a full analysis of the merits is not necessary to evaluate this factor.” *Fintiv*

II at 17. And, it is important to note that the compelling merits standard is a higher standard than the standard for institution set by statute. “A challenge can only ‘plainly lead to a conclusion that one or more claims are unpatentable’ if it is highly likely that the petitioner would prevail with respect to at least one challenged claim.” *OpenSky Indus., LLC v. VLSI Tech. LLC*, IPR2021-01064, Paper 102, 49 (PTAB Oct. 4, 2022) (precedential). Petitioners have not done so here, and, when considered together with the five other *Fintiv* factors discussed above, this factor also favors discretionary denial.

As discussed in detail above, the Petition does not present a reasonable likelihood of invalidity under any ground or challenged claim, let alone compelling evidence of unpatentability, and factor 6 weighs against institution.⁴ All six *Fintiv* factors strongly favor discretionary denial, and the Petition should be denied on this basis alone.

⁴ The Petition is defective for other reasons as well, but a full discussion of the merits is not required in the Patent Owner’s Preliminary Response.

Date: January 21, 2025

Respectfully submitted,

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CERTIFICATION REGARDING WORD COUNT

Pursuant to 37 C.F.R. § 42.24(d), Patent Owner certifies that there are no more than 6,268 words in the paper, excluding the portions exempted under 37 C.F.R. § 42.24(a)(1).

Dated: January 21, 2025

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CERTIFICATE OF SERVICE (37 C.F.R. § 42.6(e)(1))

The undersigned hereby certifies that the above document was served on January 21, 2025, by filing this document through the Patent Trial and Appeal Case Tracking System as well as delivering a copy via electronic mail upon the following attorneys of record for the Petitioners:

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