

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

Petitioner,

v.

UNIVERSAL CONNECTIVITY TECHNOLOGIES INC.,

Patent Owner.

IPR2024-01478

Patent 8,680,712 B2

Before KARL D. EASTHOM, THOMAS L. GIANNETTI, and
MIRIAM L. QUINN, *Administrative Patent Judges*.

QUINN, *Administrative Patent Judge*.

DECISION

Denying Institution of *Inter Partes* Review

35 U.S.C. § 314

This proceeding involves claims 1, 2, 3, 5, 7, and 9 of U.S. Patent No. 8,680,712 B2 (Ex. 1001, “the ’712 patent”) which describes delivering power over a network through a serial link. Ex. 1001, [57]. The Petitioner here is Dell Inc., Dell Technologies Inc., HP Inc., and Lenovo (United States) Inc. Paper 1 (“Pet.”). The Patent Owner is Universal Connectivity Technologies, Inc. Paper 8 (“Prelim. Resp.”). In its Preliminary Response, Patent Owner asserts that it intends to file a statutory disclaimer disclaiming claims 7 and 9 of the ’712 patent. *Id.* at 1–2. The Office has not yet received said disclaimer. Patent Owner also argues that we should exercise our discretion to deny the Petition under 35 U.S.C. § 314. Institution of *inter partes* review is discretionary. *See Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“[T]he PTO is permitted, but never compelled, to institute an IPR proceeding.”). Because we agree with Patent Owner that we should discretionarily deny institution due to the state of parallel district court litigation, and as explained more fully below, we do not institute *inter partes* review.

I. BACKGROUND

After the Petition and Preliminary Response were filed, the Office rescinded the June 2022 memorandum entitled “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation.” Based on the change of binding guidance, we permitted additional briefing. Thus, Petitioner filed a Reply to the Preliminary Response (“Reply”) (Paper 9) and Patent Owner filed a corresponding Sur-reply (“Sur-reply”) (Paper 10) addressing discretionary denial.

A. *Related Matters*

This proceeding is one of seven involving the same parties and the same underlying district court litigation that is the focus of our analysis. The '712 patent at issue here, as well as the patents in the other proceedings, are involved in three parallel district court cases (Paper 6):

- 1) *Universal Connectivity Technologies Inc. v. Dell Technologies Inc., et al.*, No. 1:23-cv-01506-RP (W.D. Tex.) (“the Dell litigation”);
- 2) *Universal Connectivity Technologies Inc. v. HP Inc.*, No. 4:24-cv-04097-YGR (N.D. Cal.) (“the HP litigation”); and
- 3) *Universal Connectivity Technologies Inc. v. Lenovo Group Limited*, No. 2:23-cv-00449-JRG (E.D. Tex.) (“the Lenovo Group litigation”).

According to Patent Owner, there is a fourth litigation concerning a U.S. based, wholly-owned subsidiary of Lenovo Group, Lenovo US, and that action for declaratory judgment is pending in Delaware, No. 1:24-cv-01126-RGA. Prelim. Resp. 26 n.1. Neither party argues that the subject matter of this fourth litigation involves invalidity of any patent, so it is not relevant to our exercise of discretion.

II. ANALYSIS

In exercising the Director’s discretion under § 314(a), the Board may consider “events in other proceedings related to the same patent, either at the Office, in district court, or the ITC.” Patent Trial and Appeal Board Consolidated Trial Practice Guide, 58 & n.2 (Nov. 2019) (“CTPG”). *NHK Spring* explains that the Board may consider the advanced state of a related district court proceeding, among other considerations, as a “factor that weighs in favor of denying the Petition under § 314(a).” *NHK Spring Co. v.*

Intri-Plex Techs., Inc., IPR2018-00752, Paper 8 at 20 (PTAB Sept. 12, 2018) (precedential). Additionally, the Board’s precedential order in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5–16 (PTAB Mar. 20, 2020) (precedential) (“the *Fintiv Order*” or “*Fintiv*”) identifies several factors for analyzing issues related to the Director’s discretion to deny institution in view of related litigation, with the goal of balancing efficiency, fairness, and patent quality.

When considering related litigation, the Board evaluates the following factors (“*Fintiv* factors”):

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’ exercise of discretion, including the merits.

Fintiv Order at 5–6.

A. Evidence of Stay (Factor 1)

Of the three district court proceedings, the Lenovo Group litigation, pending in the Eastern District of Texas, is the most significant to our analysis here. In the Lenovo Group litigation, the parties have not requested a stay. Prelim. Resp. 26–28. Patent Owner argues that the Lenovo Group litigation is not likely to be stayed based on that court’s low grant rate in

other cases and the progress of that case in particular. Prelim. Resp. 26–29. The court in the HP litigation denied a stay without prejudice, and stated that a stay could be reconsidered in the future depending on the outcome at the PTAB. Reply 2–3. The Dell litigation has been stayed. *Id.*

On this record, we decline to speculate as to how any of the involved district courts where no stay is pending might rule on any future motion to stay. Thus, we determine that, while one stay has been granted, the lack of a stay in the other underlying district court cases, especially the Lenovo Group litigation, is not sufficiently persuasive to weigh this factor against exercising discretion. Therefore, this factor has a neutral effect on the overall balancing of the *Fintiv* factors.

B. District Court Trial Date (Factor 2)

The scheduled trial date for the Lenovo Group litigation is November 3, 2025, which is about six months prior to the expected date for the final written decision here (i.e., late April 2026). *See* Prelim. Resp. 30; IPR2024-01429, Ex. 2002 (Lenovo Group litigation Case Docket Control Order), 1 (listing trial date as Nov. 3, 2025). Petitioner argues this trial date is speculative. Reply 3. Further, Petitioner focuses its argument on what it terms a “growing backlog” in the Eastern District of Texas and the status of the HP litigation, which is currently set for trial on September 21, 2026. *Id.*

Patent Owner argues that “both the scheduled trial date and the date of trial based on median time-to-trial statistics occur many months before a final written decision would be expected in this forum.” Sur-reply 1. Patent Owner asserts that the time-to-trial statistics for the Eastern District of Texas project a median time-to-trial of 21.9 months. This projection yields a trial date of July 2025, which is about 9 months prior to the expected final written

decision date of April 2026. *See* Prelim. Resp. 30–31 (citing Ex. 2001 (U.S. District Courts—Federal Court Management Statistics—Profiles—September 30, 2024 Reporting)).

As with the previous factor, the status of the Lenovo Group litigation is our focus here. As stated, that trial is set to occur about six months before a final written decision would issue in this proceeding. The District Court has stated that this trial date setting “cannot be changed without an acceptable showing of good cause.” Prelim. Resp. 30. We are not persuaded by Petitioner’s unsupported argument that the trial date is speculative. We also consider the fact that the median time-to-trial statistic discussed by both parties projects a trial date of July 2025, earlier than the actual date set by the District Court. Ex. 2001; Prelim. Resp. 30–31; Reply 3. The fact that the time-to-trial statistic is earlier than the trial date set by Judge Gilstrap confirms that the schedule set by the District Court is credible and should be given weight. From this evidence, we are persuaded that we should rely on the trial date in the Lenovo Group litigation as the main indicator of a trial court reaching the merits of the invalidity of the patent-at-issue before we issue a final written decision.

Accordingly, this factor strongly favors exercising discretionary denial.

C. Investment in Parallel Litigation (Factor 3)

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* at 9.

As for the amount and type of work expended by the parties, we understand that Patent Owner has “conducted extensive third party discovery from [Lenovo Group Limited]’s suppliers.” Prelim. Resp. 31. By the time

the institution decisions issue, the parties would have completed the claim construction briefing, with a Markman hearing scheduled soon, *i.e.* for May 20, 2025. *See id.*; Sur-reply 1–2.¹ This activity is all in connection with the Lenovo Group litigation; the Dell and HP litigations have had no significant activity of note. Reply 3–4. As for the District Court’s work in the Lenovo Group litigation, although there have been discovery motions and other activity in connection with claim construction², the amount of work that has been performed to date does not support a concern for the investments made in that litigation.

Balancing the evidence before us, we are persuaded that the Lenovo Group litigation activity by the court and the parties has little to no impact on the analysis of the third factor. Accordingly, this factor is neutral.

D. Overlap of Issues (Factor 4)

Under the fourth *Fintiv* factor, we consider “overlap between issues raised in the petition and in the parallel proceeding.” *Fintiv Order* at 12. Petitioner stipulates that if we institute trial, Petitioner “will not to pursue in District Court litigation the specific grounds asserted in *inter partes* review [], or on any other ground that was raised or could have been reasonably raised in an IPR.” Ex. 1017 (stipulation by Dell Technologies Inc., and Dell Inc., and citing *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (precedential)); Ex. 1018 (identical stipulation by HP Inc.); Ex. 1019 (identical stipulation by Lenovo (United States) Inc.); Ex. 1020 (identical stipulation by Lenovo Group Limited).

¹ The District Court recently re-scheduled the Markman hearing to May 20, 2025, from its originally scheduled date of May 12, 2025.

² As noted *supra*, a *Markman* hearing has not been held, and there is no *Markman* order that have required efforts by the district court.

In its Sur-reply, Patent Owner contends that the *Sotera* stipulations do not mitigate concerns of overlap because the stipulations state that Petitioner “expressly reserved the right to challenge invalidity at the district court based on the same references relied upon here in combination with ‘any system, product, or public knowledge or use that embodies’ any of the identified prior art patents or printed publications.” *See* Sur-reply 2 (quoting Exs. 1017–1020). We do not agree with Patent Owner. The overlap of claims between this proceeding and the litigation is complete, and the prior art references involved here are the same as some of the prior art involved in the litigation. Prelim. Resp. 32–33. Although we acknowledge Patent Owner’s concern about lack of overlap stemming from Petitioner’s reservation of rights in its *Sotera* stipulation, our evaluation at this juncture is based on the facts before us, not on how Petitioner *might* challenge the validity of the patent at trial. Further, Patent Owner does not identify any art asserted by Petitioner in the litigation that might fall within this reservation. On the present record, Petitioner’s broad stipulation mitigates certain concerns of duplicative efforts between the District Court and the Board, as well as concerns of potentially conflicting decisions. *Sotera*, Paper 12 at 19.

Accordingly, factor 4 strongly favors not exercising discretionary denial.

E. Defendants in District Court (Factor 5)

Under the fifth *Fintiv* factor, we consider “whether the petitioner and the defendant in the parallel proceeding are the same party.” *Fintiv Order*, Paper 11 at 13. “[I]f the parties are the same in the inter partes proceeding and in the parallel proceeding. . . . this factor supports denying institution.” *Sotera* at 19 (citations omitted). Patent Owner states that “there is no

dispute that Petitioners are defendants” in the Lenovo Group litigation, and the Dell litigation and the HP litigation are the same in that respect. Prelim. Resp. 34.

Petitioner contends that Factor 5 “is at worst, neutral.” Reply 4–5. Petitioner contends that “*Fintiv* did not suggest Factor 5 favors denial when the petitioner is the defendant, instead noting that ‘if a petitioner is unrelated’ this fact weighs ‘against exercising discretion.’” *Id.* (quoting *Fintiv* at 13–14). Petitioner notes that “neither Dell nor HP is a party” in the Lenovo Group litigation, upon which Patent Owner relies, and the fact “that Dell and HP are parties to [the Dell litigation and the HP litigation] has no bearing on Factor 5.” *Id.*

Patent Owner argues that “Petitioner[] provide[s] no support for [its] contention that this factor is neutralized when less than all parties to the IPR proceeding are also parties to a district court litigation involving the same patent.” Sur-reply 3. Patent Owner contends that “[b]ecause the [P]etitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial.” Prelim. Resp. 34.

On the record before us, we discern no reason to treat Petitioner Lenovo (US) and its parent as separate parties for the purpose of this *Fintiv* analysis. Petitioner identifies Lenovo Group Limited as a real party in interest. Pet. 76 (“Petitioners hereby name Dell Inc., Dell Technologies Inc., HP Inc., and Lenovo (United States) Inc. as real parties-in-interest and, solely because it is named as a defendant in a co-pending district court case listed below, further identify Lenovo Group Ltd. as a real party-in-interest.”). Lenovo Group Limited has submitted a *Sotera* stipulation in this case. Therefore, all the parties comprising Petitioner are involved as

defendants or as a real party-in-interest to a defendant in the parallel district court litigations.

Accordingly, factor 5 weighs in favor of discretionary denial.

F. Other Circumstances, Including the Merits (Factor 6)

This sixth factor takes into account other circumstances that may bear on the decision to exercise discretion to deny, such as the merits of the patentability challenges. *Fintiv Order*, at 14–16. This factor also supports the exercise of discretion because on the merits of the case, on the present record, there are significant weaknesses that call into question the strength of the Petition. *Fintiv Order*, at 15 (“[I]f the merits of the grounds raised in the petition are a closer call, then that fact has favored denying institution when other factors favoring denial are present. . . there may be strengths or weaknesses regarding the merits that the Board considers as part of its balanced assessment”). We therefore turn to a discussion of the merits.

1. The ’712 Patent and Claim 1

The ’712 patent describes delivering power over an interface. Ex. 1001, 2:35–49. To deliver power from one device to another, the ’712 patent provides a circuit that detects when a load is connected, using a load detector, and detects when a power source is available from a connected device, using a signature resistor. *Id.* at 1:53–62, 7:9–15. A power relay switch closes to relay voltage to the load from the connected power source, if one is present. *Id.*

Claim 1 is illustrative of the subject matter claimed and reproduced below with italicized text that will be discussed in more detail.

1. A power delivery circuit configured to deliver power to one or more of a plurality of devices connected in a network, the power delivery circuit comprising:

a voltage source configured to generate a voltage;

a power relay switch configured to relay, when closed, the voltage generated by the voltage source to one or more of the connected devices;

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

a load detector connected to the switch and configured to read a load current flowing therethrough so as to detect a load in one of the connected devices, and to extract information about the connected device based on the load current;

wherein the information extracted by the load detector comprises information regarding whether the connected device is powered on or powered off, and whether or not the connected device needs a supply of power.

Ex. 1001, 7:2–20.

Claim 1 requires a “signature resistor.” Ex. 1001, 7:8–10. Patent Owner disputes Petitioner’s assertions that the prior art teaches the “signature resistor.” The dispute presents significant concerns about the merits of the Petition.

a) Biederman

The Petition relies on the Biederman³ reference extensively. Pet 1–2 (Biederman identified as prior art for five out of the six presented grounds); 15–17. Biederman describes providing Power over Ethernet or PoE , which involves transmitting electrical power over a wired data telecommunications network from a power source equipment (PSE) to a powered device (PD). Ex. 1005 [13]. With respect to the “signature resistor” limitation, the

³ U.S. Pat. App. Pub. 2006/0089230 (Ex. 1005).

Petition states that during PD detection, the PSE checks for a valid signature resistance in the PD. Pet 36. Petitioner provides an annotated Figure 5 of Biederman, reproduced below. Pet. 37.

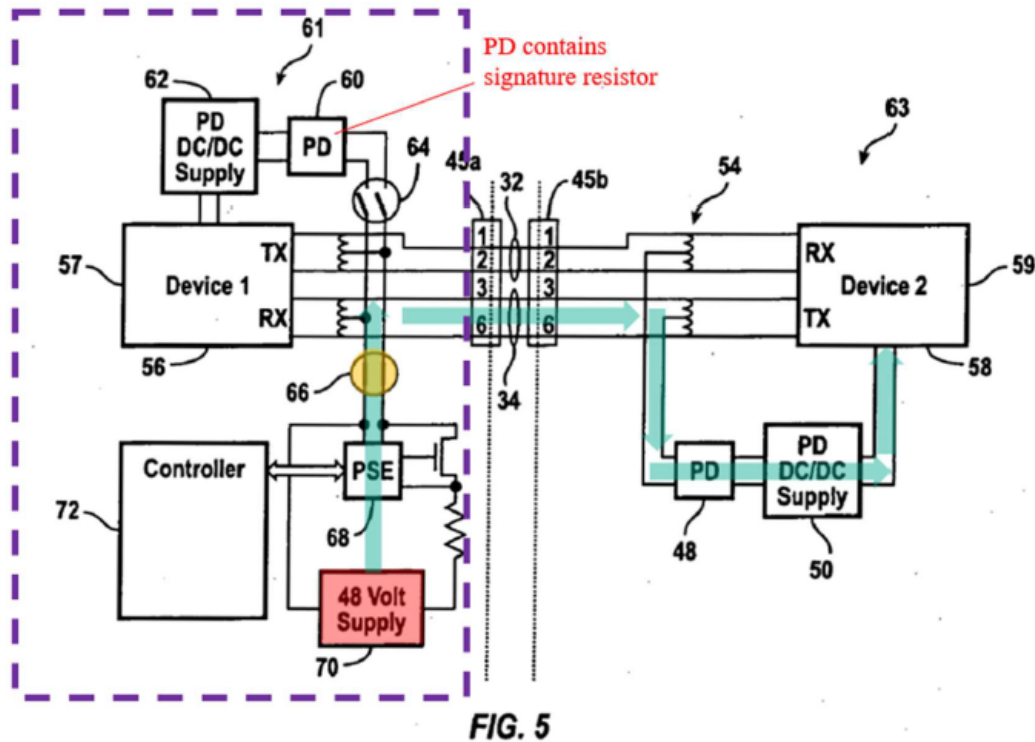


Figure 5 of Biederman above shows a 48-volt supply highlighted in red, a power relay switch 66 in orange, a flow of power from the voltage supply to connected device 59 in green, and PD unit 60 with a label that reads “PD contains signature resistor.” *Id.* at 33–36. Petitioner contends that “PD unit 60 and its signature resistor are connected to the switch 66 and are *capable of being detected* by a PSE connected to the device 57.” *Id.* at 36 (emphasis added).

Patent Owner points out that the claims requires the “signature resistor” *configured to detect a power source*, while Petitioner contends that another device, the PSE, does the detecting of this resistor. Prelim. Resp. 12–13. We agree with Patent Owner that the Petition lacks clarity on this

point. According to Petitioner, the load detection and signature resistor limitations are met by the same PD resistance. That is, Petitioner alleges the same resistance in PD unit 60 is present for a PSE to detect a load and also to satisfy the “signature resistance” limitation, according to the Petition. Pet. 40. But the claim requires that the “signature resistor” be configured to detect a power source, and Petitioner has not explained sufficiently that the resistance in *PD 60* of Figure 5 detects any power source. The Petition also states, relying on Figure 5, that PD unit 60 is connected to switch 66.

Pet. 36. Biederman, however, describes a different switch, switch 64, for connecting PD unit 60 to the rest of the circuitry of the port, including switch 66 (mapped to the recited “power relay switch”). Ex. 1005 ¶ 38.

Petitioner does not address that Biederman uses switch 64 to connect the PD unit 60. *Id.* Because the claim is directed to a circuit to deliver power to one or more of a plurality of devices connected in a network, Petitioner has identified in Biederman the operation of port 61 that enables the PSE. The Petition does not explain, however, how Biederman’s PD unit 60 would be connected as required by the claims, when switch 64 is not addressed and when the mode of operation relied upon is one in which PD unit 60 is not enabled.

According to Petitioner, the strained reading of the claim is necessitated by Patent Owner’s infringement position in district court. Pet. 38. However, Patent Owner disputes how Petitioner interprets the district court infringement contentions to apply the “signature resistor” limitation as it does in the Petition. Prelim. Resp. 13–14. In particular, we note Patent Owner’s explanation that its infringement contentions point to a *resistor that detects* whether the USB-C port of *the other USB-C device is attached as a power source*. *Id.* at 14. In sum, Patent Owner’s district court

infringement contentions do not appear to support Petitioner's understanding of the "signature resistor" limitation as proposed.

b) Penning

For the grounds that do not rely on Biederman for the "signature resistor" limitation, Petitioner relies on Penning.⁴ Penning manages power of networking devices, such that when the required amount of power is insufficient, a controller can prompt for removal of connected devices to draw less power, and switch to a different power source to supply more power. Ex. 1008 [2], [6], [7]. Penning accomplishes this with a process controller and two power detectors, shown in Figure 3 below. *Id.* [49] [56].

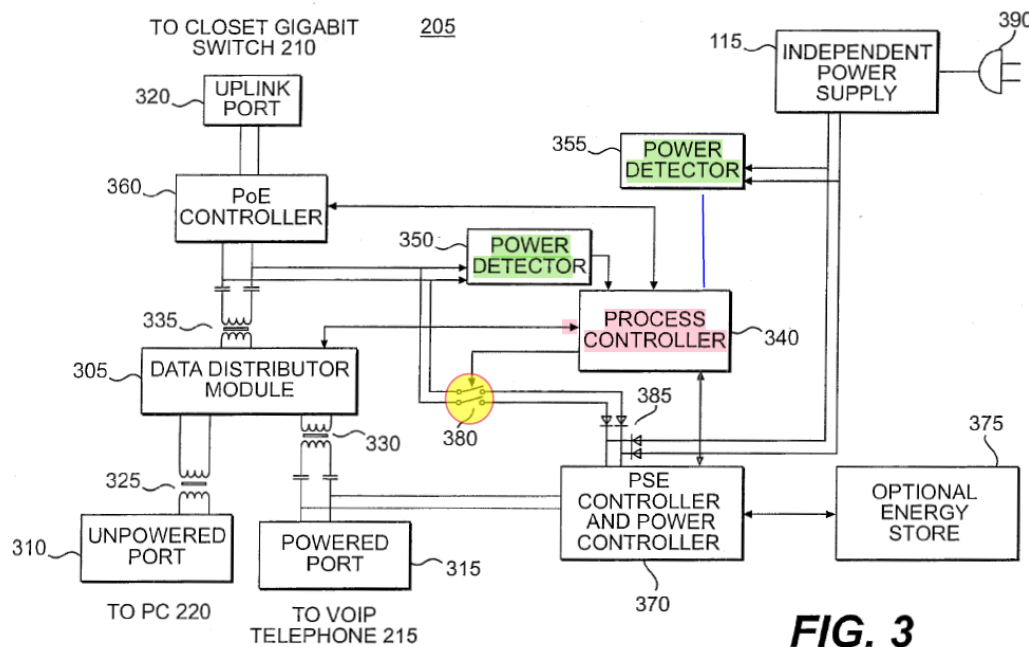


Figure 3 of Penning is annotated to show power detectors 350 and 355, highlighted in green, coupled to process controller 340, highlighted in pink, and switch 380, highlighted in yellow, and coupled to process

⁴ U.S. Pat. App. Pub. 2008/0168283 (Ex. 1008).

controller 340. *See id.* at [49]—[51] (describing that the process controller open and closes switch 380 depending on notifications sent from the power detectors).

The Petition states that a person of ordinary skill in the art would have modified the Biederman PSE/PD device such that network devices can detect connected power sources and switch between them as taught in Penning. Pet. 65–66. The Petition states that the detection would be accomplished with a current sense resistor, relying on testimony of Eric Welch (Ex. 1003 ¶¶ 131–134), and touts “Penning’s technique for detecting the connected power sources and switching between them.” Pet. 65. Patent Owner argues the insufficiency of these contentions.

First, we agree that the Petition erroneously states that Penning’s detecting devices are connected to the switch. Pet. 65; Prelim. Resp. 19. Penning instead emphasizes the role of the process controller as making all the switching determinations. *See id.* at [49]—[51]. And none of Petitioner’s contentions regarding Penning sufficiently discuss the process controller. Nor does Petitioner explain why the process controller would be left out of the modification when Penning’s technique for switching depends entirely on Penning’s configuration of its process controller. *Id.* Biederman has a controller for switching between PSE and PD modes. Ex. 1005 ¶ 38. But to modify the Biederman device with Penning’s detectors to operate as Petitioner alleges, the Biederman controller would need additional functionality of Penning: assessing power from multiple sources, including an independent source, and determining which power source to switch to. That is, Petitioner’s explanation of the asserted modification appears to be either incomplete or conclusory. *See also* Prelim. Resp. 19 (arguing that the Petition provides no explanation as to how the identified components in

Penning, when applied to the device in Biederman, map to the claimed power delivery device).

Second, Petitioner asserts that a motivation for the combined teachings stems from a desire for faster data transfer rates accomplished by switching to an independent power supply, to reduce power draw from a connected device. Pet. 65. Petitioner also alludes to a desire to switch between backup power sources. *Id.* However, the functionality of switching between power supplies is attributed to the process controller, which as stated above is not included in any discussion of switching between power supplies in the combined teachings. This presents a substantial weakness of the grounds with Penning as prior art.

c) Karam

The remaining ground is based on anticipation by Karam,⁵ for claims 7 and 9, which Patent Owner intends to disclaim. Prelim. Resp. 1–2. We have reservations about the merits of this ground. In particular, we have concerns that the embodiment of Figure 4A of Karam, on which Petitioner bases its anticipation challenge, does not describe the *third device* as a PD, negotiating power requirements with either another PD or the PSE. Accordingly, Petitioner’s reliance on the third device as one of the plurality of devices of claims 7 and 9 is weak.

d) Conclusion Regarding the Merits

The discussion above identifies weaknesses that we have considered in our evaluation of the *Fintiv* factors. For the reasons given, we determine that this Petition does not present particularly strong merits.

⁵ U.S. Pat. App. Pub. 2006/0100799 A1 (Ex. 1007).

G. Conclusion of Fintiv Factor Balancing

We have considered the circumstances and facts before us in view of the *Fintiv* factors. We take “a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review” when evaluating these factors. *Fintiv Order*, at 6. Because of the *Sotera* stipulation, factor 4 weighs strongly in favor of not exercising discretion. However, two other factors weigh in favor of exercising discretion, especially the trial date factor. The merits of Petitioner’s challenge are not particularly strong. A balanced assessment of the factors leads us to exercise discretion to deny the Petition.

Therefore, we conclude that the evidence of record favors exercising our discretion under 35 U.S.C. § 314(a) to deny institution of an *inter partes* review challenging claims.

III. CONCLUSION

Upon consideration of the Petition, the Preliminary Response, and the evidence presented, we exercise our discretion under 35 U.S.C. § 314(a) to deny institution of an *inter partes* review challenging claims 1, 2, 3, 5, 7, and 9 of the ’712 patent.

IV. ORDER

In consideration of the foregoing, it is hereby:

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

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