

Paper No. ____

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TESSELL, INC.,
Petitioner,

v.

NUTANIX, INC.,
Patent Owner.

Case No. IPR2025-00298
Patent No. 11,860,818

AUTHORIZED RESPONSE TO DIRECTOR REVIEW REQUEST

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I. INTRODUCTION

Patent Owner (“PO”) requests that the Director “reverse the panel’s institution decision” that declined to discretionarily deny institution. Paper 13 (“Req.”). But the panel carefully analyzed the same arguments PO’s Request raises and correctly rejected them. Paper 11 (DI) at 21-26. There is no reason to disturb the decision.

First, PO argues there “is unfair dealing” because inventors of the ’818 patent are “founders and employees” of Petitioner. Req. at 1. The panel rejected this argument: “there is *no alleged unfair dealing.*” DI at 22-23 (emphasis added). PO mischaracterizes the Director’s decision denying institution in IPR2025-00322 as involving the “same facts” (Req. at 2), but in fact it involved USP 11,0103,336 (“the ’336 patent”), the parent of the ’818 patent. Both patents are titled “[s]ystem and method for provisioning databases in a *hyperconverged infrastructure system.*” But while *every* claim of the ’336 patent recites limitations directed to “a hyperconverged infrastructure system,” the ’818 patent, which PO filed in 2023 (five years after the ’336 patent and *after* Petitioner launched its first product), wiped this language from all but three dependent claims in an attempt to assert the patent against Petitioner’s product, which does not use a hyperconverged infrastructure. If any unfair dealing exists, it is PO’s decision to file the ’818 patent years after the inventors left to start their own company and then to anti-competitively broaden the claim scope.

Second, “settled expectations” favor institution. **The ’818 patent issued in**

January 2024; this IPR was filed that same year. This early challenge “weigh[s] against discretionary denial.” *Resmed Corp. v. Cleveland Medical Devices, Inc.*, IPR2025-00246, Paper 10 at 2 (June 12, 2025) (“patents were issued recently, in 2024. Early challenges ... weigh against discretionary denial.”); *Tesla, Inc. v. Charge Fusion Tech., LLC*, IPR2025-00152, Paper 11 at 3 (June 12, 2025) (same).

Finally, the panel correctly rejected PO’s §325(d) arguments. DI at 23-26.

II. BACKGROUND

In 2018, Nutanix files the ’336 patent for inventions directed to provisioning databases in a hyperconverged infrastructure system. The ’818 patent is a continuation of the ’336 patent. As the title indicates, the alleged invention is a “system and method for provisioning databases in a hyperconverged infrastructure system.” This is also reflected in both patents’ disclosure. For instance, the first figure in both patents shows a hyperconverged infrastructure. *Compare* EX1001, Fig. 1 *with* <https://www.nutanix.com/theforecastbynutanix/technology/4-defining-characteristics-of-hyperconvergence-in-the-enterprise> (substantially the same Figure under the heading “What is Hyperconvergence”). Similarly, every claim of the ’336 patent expressly recites a “hyperconverged infrastructure system.” For instance, Claim 1 recites a “request for provisioning a source database in a hyperconverged infrastructure system” and that the database in the hyperconverged infrastructure system captures “transactional logs” for recreating the database.

Hyperconverged infrastructure is also a core aspect of PO's commercial product.

In 2021, the Tessell founders leave Nutanix to create an innovative, cloud-native database management architecture. Tessell's offerings do **not** rely on a hyperconverged infrastructure. The Tessell founders came to realize that a hyperconverged infrastructure had various drawbacks relating to hardware compatibility, configuration difficulties, scalability, resource utilization, and vendor lock-in, to name a few. Through hard work and innovation, the Tessell founders developed a different offering that dramatically simplifies and reduces the cost of creating, managing, and modernizing databases in the cloud. Tessell's offering runs on a cloud-native service and implements a unified control plane that makes it easier to set-up, manage, secure and scale cloud databases across platforms. Tessell has received recognition for its innovations; for example, Tessell was named one of CRN's Stellar Startup Big Data Vendors of 2024. Other recognitions include CRN's 2024 Big Data 100, 2024 Tech Innovator Award, and 2023 Stellar Startups.

In 2023, Nutanix files the '818 patent and broadens the claims. Almost two years after the Tessell founders left, Nutanix filed the application that would become the '818 patent (using the oath from the '336 patent that was signed years earlier). In an attempt to derail Tessell, whose innovative cloud-native database service is different from Nutanix's hyperconverged infrastructure, Nutanix relegated key limitations that were in independent claims of the '336 patent to dependent claims.

For example, notwithstanding the patent’s disclosures of its invention as directed to a “hyperconverged infrastructure system,” all mentions of that phrase now appear in three dependent claims of the ’818 patent. The ’818 patent issued in January 2024 and was asserted against Tessell in March 2024, and Petitioner filed this IPR.

III. DISCRETIONARY DENIAL IS NOT WARRANTED

A. Unfair Dealing

PO argues that the Director should reverse the institution decision for the same reason IPR2025-00322 was denied institution. The circumstances here are different.

The filing timeline is critical. The ’818 patent was filed *over four years after* the ’336 patent (at issue in IPR2025-00322), almost two years *after* the inventors departed, and shortly *after* Tessell’s product launch. PO did not receive—or even request—a new oath. The Director’s statement that “[i]t is not an appropriate use of Office resources where the inventors applied for and were issued a patent, but, [in IPR2025-00322], now advocate for its unpatentability” (Req. 1) is inapplicable here.

The ’818 patent’s claims are broader than the ’336 patent’s and eliminate a core aspect of the alleged invention – a hyperconverged infrastructure. This is not a trivial limitation. It is in both patents’ title: “System and method for provisioning databases in a hyperconverged infrastructure system.” It is reflected in both patents’ disclosure and all of the ’336 patent’s 23 claims. PO’s attempt to prohibit Petitioner from challenging the ’818 patent claims’ broad scope is the true unfair dealing.

B. Settled Expectations

“Settled expectations” also favor institution. The ’818 patent issued in 2024; this IPR was filed that same year. Early IPR “weigh[s] against discretionary denial.” *Resmed*, IPR2025-00246, Paper 10 at 2; *Tesla*, IPR2025-00152, Paper 11 at 3.

C. 35 U.S.C. §325(d)

The Board correctly found that denial is unwarranted because “allowance of the challenged claims over [So] and Zha was error material to patentability” (DI at 25), as the Petition demonstrated (Paper 2 at 83-84). As PO does not dispute, “even though the asserted prior art is listed on an IDS, the Examiner did not issue any prior art rejections during examination, so the Examiner materially erred by overlooking certain teachings in the prior art”—i.e., those that the Petition maps to the claims. *Ecto World, LLC v. RAI Strategic Holdings, Inc.*, IPR2024-01280, Paper 13 at 5-6 (May 19, 2025) (precedential as to §A); *see* Petition at 12 (discussing EX1002).

Additionally, “discretionary denial is inappropriate” due to “the volume of the references submitted... during examination” and “additional evidence and facts warrant[ing] reconsideration of the prior art.” *Ecto World* at 6-7. So and Zha were listed on an IDS with **513** references (EX1002 at 281-302). Also, “[t]he prosecution did not include the expert testimony *and* evidence of a POSA’s background knowledge presented” here (not just testimony, contrary to Req. at 7). DI at 25.

IV. CONCLUSION

For these reasons, the Director should deny PO’s Request.

Date: June 24, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE UNDER 37 C.F.R. §42.6 (E)(4)

I certify that on June 24, 2025, a copy of the foregoing document, including any exhibits or appendices filed therewith, is being served via electronic mail, as previously consented to by Patent Owner, upon the following:

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