

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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INTERNATIONAL BUSINESS MACHINES CORPORATION,

Petitioner,

v.

CROGA INNOVATIONS LTD.,

Patent Owner.

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Case IPR2025-00380

Patent 10,601,780

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**PATENT OWNER'S BRIEF IN SUPPORT OF REQUEST FOR  
DISCRETIONARY DENIAL OF INSTITUTION**

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| 2003               | First Amended Docket Control Order, <i>Croga Innovations Ltd. v. International Business Machines Corporation</i> , No. 2-24-cv-00634, Dkt. 24 (E.D. Tex. April 17, 2024)                 |
| 2004               | Order, <i>MyPort, Inc. v. Samsung Electronics Co., Ltd., et al.</i> , No. 2:22-cv-00114-JRG (E.D. Tex. June 12, 2023)                                                                    |
| 2005               | Defendant's Supplemental Preliminary Invalidity Contentions, <i>Croga Innovations Ltd. v. International Business Machines Corporation</i> , No. 2-24-cv-00634, (E.D. Tex. Dec. 12, 2024) |
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## I. INTRODUCTION

Patent Owner Croga Innovations Ltd. (“Patent Owner”) submits this request for discretionary denial of institution of Petitioner International Business Machines Corporation’s (“Petitioner” or “IBM”) Petition for *inter partes* review of U.S. Patent No. 10,601,780 (“the ’780 patent”).

The Board already correctly denied institution in IPR2024-01196 and IP2025-00086, both of which involved the same patent and the same arguments that Petitioner IBM presents here. *See Cisco Systems, Inc. v. Croga Innovations Ltd.*, IPR2024-01196, Paper 7 (PTAB Feb. 13, 2025) (“Cisco Decision”) and *Fortinet, Inc. v. Croga Innovations Ltd.*, IPR2025-00086, Paper 9 (PTAB Mar. 27, 2025) (“Fortinet Decision”) (collectively “Discretionary Denials”). As Petitioner IBM admits, “[t]his Petition is substantively identical to and is directed to the same claims, prior art, and grounds of unpatentability raised by Cisco’s Petition in IPR2024-01196 (‘Cisco IPR’).” Paper 1, Pet. at 14-15.

The Board should deny institution here for the same reasons. “Petitioner has not shown that the cited art teaches or suggest the internal firewall limitations of the claims of the ’780 patent. Thus,

Petitioner has failed to establish that the cited art teaches or suggests all the limitations of any challenged claim.” Cisco Decision, Paper 7, at 21; Fortinet Decision, Paper 9, at 21. Moreover, as discussed below, all of the Fintiv factors weigh strongly against institution.

## II. THE FINTIV FACTORS WEIGHT AGAINST INSTITUTION

35 U.S.C. § 314(a) gives the Board discretion 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. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential, designated May 7, 2019) (“*NHK Spring*”). The Board has set forth six factors for determining whether discretionary denial due to such parallel litigation is appropriate (the “*Fintiv* factors”):

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, all of the *Fintiv* factors weigh against institution. To avoid duplication of efforts, wasting resources, and potentially inconsistent decisions, the Board should deny institution.

**A. Factor 1: The district court has not granted a stay, nor is there any evidence that a stay will be granted.**

There are presently two district court cases involving the '780 patent pending in the Eastern District of Texas. The first is *Croga Innovations Ltd. v. International Business Machines Corporation*, No. 24-cv-00634-JRG. The second is *Croga Innovations Limited v. Cisco*

*Systems, Inc.*, No. 2:24-cv-00065-JRG (Lead Case). This case was consolidated with member cases *Croga Innovations Limited v. Fortinet, Inc.*, No. 2:24-cv-00206-JRG (E.D. Tex.) and *Croga Innovations Limited v. Palo Alto Networks, Inc.*, No. 2:24-cv-00208-JRG (E.D. Tex.). See EX2004, Amended Docket Control Order, *Croga Innovations Limited v. Cisco Systems, Inc.*, No. 2:24-cv-00065-JRG, Dkt. 53 (E.D. Tex. July 18, 2024).

Jury selection is scheduled for September 22, 2025, in *Croga Innovations Ltd. v. International Business Machines Corporation*. See Ex. 2003, First Amended Docket Control Order, *Croga Innovations Ltd. v. International Business Machines Corporation*, No. 2-24-cv-00634, Dkt. 24 (E.D. Tex. April 17, 2024). 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.

The district court case is not at an early stage. The case against IBM was filed on December 29, 2023 – which will be more than a year before an institution decision is due in four months. See Ex. 1011, Complaint.

Fact discovery is ongoing and a Markman hearing has been held. By the date the institution decision is due, the parties will have attended the Pretrial Conference on August 18, 2025. *See* Ex. 2003 at 2. A Final Written Decision will not be due until eleven (11) months ***after*** trial is scheduled to begin with jury selection on September 22, 2025. *See Id.* at 1.

IBM has not filed a motion to stay in the district court proceedings. Pet. at 14. And it is unlikely that a stay would be granted in the district court. *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 Patent Owner, disfavoring a stay. *See, e.g., Ex. 2004, Order, MyPort, Inc. v. Samsung Electronics Co., Ltd., et al.*, No. 2:22-cv-00114-JRG (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 discovery 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 IBM has asserted multiple invalidity theories and there are other defendants who are asserting invalidity defenses in

the parallel litigation, a stay in the district court would be unlikely to simplify the issues. *See, e.g.,* Ex. 2005, Defendant’s Supplemental Preliminary Invalidity Contentions, *Croga Innovations Ltd. v. International Business Machines Corporation*, No. 2-24-cv-00634, (E.D. Tex. Dec. 12, 2024) at 3-5. As the district court recently noted, 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. Ex. 2004, *MyPort* at 6-7.

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 statutory deadline for a final written decision in this proceeding is August 25, 2026, which can be extended to February 25, 2026, for good cause or in the case of joinder. 37 C.F.R. § 42.100.

Jury selection in the district court is scheduled for September 22, 2025. *See* Ex. 2003 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* Ex., 2006, U.S. District Courts—Federal Court Management Statistics—Profiles—During the 12-Month Periods Ending December 31, 2019 through 2024. The most recent statistics, for a 12-month period ending December 31, 2024, show a median time-to-trial in the Eastern District of Texas of 23.0 months. *Id.* at 35. Accordingly, the projected trial date for purposes of *Fintiv* in accordance with the now rescinded Director’s June 21, 2022 Memorandum on Discretionary

Denials would be November 29, 2025 – close to the scheduled trial date and more than nine (9) months before the expected timing of a Final Written Decision if proceedings are instituted. This 9 month gap between the trial date and the date of the final written is decision is almost an entire year and plainly significant.

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 is ongoing and a Markman hearing has been held. By the date the institution decision is due, the

parties will have attended the Pretrial Conference on August 18, 2025.  
*See* Ex. 2003 at 2.

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 district court proceedings.**

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, Petitioner has challenged all of the asserted claims of the ’780 patent. Petitioner’s Amended Preliminary Invalidity Contentions in the district court case identify the same Delco reference asserted in the Petition as prior art that renders obvious the challenged claims in Grounds 1 and 2, which address all asserted claims of the ’780 patent.

See Ex. 2005, Defendant’s Supplemental Preliminary Invalidity Contentions, *Croga Innovations Ltd. v. International Business Machines Corporation*, No. 2-24-cv-00634, (E.D. Tex. Dec. 12, 2024) at 3-5.

Thus, with respect to the asserted claims of the ’780 patent, there is overlap with respect to Petitioner’s invalidity arguments and evidence. 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. The fact that the Petition challenges additional claims does not warrant institution. See, e.g., *Next Caller Inc. v. TRUSTID, Inc.*, IPR2019- 00961, Paper 10 at 14 (PTAB Oct. 16, 2019) (denying institution where the district court case involved only a subset of the challenged claims).

Notably, Petitioner has not 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 Petitioner done so, that could, but likely would not, 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 Petitioner is 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.

But that is not what the Petitioner did here. Instead, the Petitioner made a now irrelevant assertion that “Petitioner stipulates that if the PTAB institutes IPR2025-00380 **and joins it with the Cisco IPR**, [which was not instituted] Petitioner will not pursue the grounds raised in this Petition in the parallel district court litigation with respect to the claims for which trial is instituted.” Pet. at 16 (citing *Sand Revolution II, LLC, v. Cont’l Intermodal Group-Trucking LLC*, IPR2019-01393, Paper 24 at 12 (PTAB June 16, 2020)).

These concerns are not alleviated by the weak non-*Sotera* stipulation discussed in the petition. See *Samsung Electronics Co. Ltd. et al. v. Staton Techiya, LLC*, IPR2022-00302, Paper 13, at 16-17 (PTAB July 11, 2022) (“The breadth of such a stipulation affects the weight it is given in the discretionary denial analysis.”).

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 a defendant in the district court litigation.**

There is no dispute that Petitioner is the defendant in the district court litigation. “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. 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). Petitioner has not done so here, and, in light of the serious flaws discussed above in § IV, this factor also favors discretionary denial.

Petitioner’s argument that it has presented a “compelling” case on the merits does not withstand scrutiny. The argument turns on Petitioner’s assertion that Delco discloses the same “three distinct methods of isolation” claimed in the ’780 patent. However, as explained below, Delco does not disclose an internal firewall *configured to separate the host system from the virtual system*.

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. All six *Fintiv* factors strongly favor discretionary denial, and the Petition should be denied.

### **III. THE ’780 PATENT**

The ’780 patent relates to a host computer system that supports a virtual guest system running thereon. Ex. 1001, ’780 Patent, at 3:29-31. It discloses various techniques to allow “safe browsing without the risk of infection.” *Id.* at 3:6-8. According to the ’780 specification, this is done

by implementing a host-based firewall that allows the host to communicate only with “predetermined trusted sites” on the Internet and a virtual guest system comprising “a browser program that is allowed to contact the internet freely via an internet access connection that is completely separate from the host computer connection.” *Id.* at 3:29-42. “The guest computer and the host computer communicate with each other by a limited permissible internal host-based firewall.” *Id.* at 5:62-6:1. “Communications across this internal firewall between the guest system and the host system are limited to cut and paste of displayed documents or files, commands to print documents, and file transfer requested manually by the host.” *Id.* at 6:2-6. Because of this separation of the host and guest systems by the internal firewall, “the guest computer in the virtual machine has no access to the other computers on the network or even to the system assets or files of the host system itself, except to cut, paste, or print.” *Id.* at 6:22-27; Ex. 2001, Declaration of Eric Cole (“Cole Decl.”), at ¶¶43-45.

Claim 1 of the ’780 patent recites three separate firewalls, each configured for specific functionality: (1) *a host-based firewall ... configured to implement network isolation between the computer*

*system and the network, (2) a network firewall ... **configured to implement network isolation** between one or more untrusted network destinations and the networked computer system, and (3) an internal firewall ... **configured to separate** the host system from the virtual system.* Ex. 1001, '780 Patent, at 13:2-13. Thus, the claims themselves recite distinct firewalls configured to perform distinct functions, and expressly distinguish firewalls *configured to implement network isolation* from a firewall *configured to separate the host system from the virtual system*.

#### **IV. THE BOARD HAS TWICE DECIDED THAT DELCO DOES NOT DISCLOSE AN INTERNAL FIREWALL CONFIGURED TO SEPARATE THE HOST SYSTEM FROM THE VIRTUAL SYSTEM**

Just as the petitioners did in IPR2024-01196 and IPR2025-00086, Petitioner here presents two grounds of alleged unpatentability. Under each ground, Petitioner alleges that Exhibit 1005, U.S. Patent No. 8,166,474 to Delco et al., (“Delco”), renders obvious *wherein an internal firewall is configured to separate the host system from the virtual system* (claim 1) and *separating the host system from the virtual system using an internal firewall* (claim 11) based on Delco’s disclosure of “packet filter 74.” Pet. at 39-42, 69. Petitioner presents no independent arguments for

the claim 11 limitation, relying entirely on its arguments as to claim 1.  
*See* Pet. at 69.

Delco's packet filter 74 is not *an internal firewall [that] is configured to separate the host system from the virtual system*. Pet. 41. As Petitioner and its expert<sup>1</sup> acknowledge, Delco's packet filter 74 operates to "filter out harmful packets from untrusted destinations such as the Internet." Pet. 57; Ex. 1005, Delco, at 2:26-59; Ex. 1003, Declaration of Dr. Shenoy, ("Shenoy Decl."), at ¶¶ 131-135. To implement this packet

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<sup>1</sup> The testimony of Petitioner's expert as to the "internal firewall" limitation should be given little weight as, apart from a single extended quotation in ¶ 91, it merely repeats verbatim the assertion in the Petition it purportedly supports. *Compare* Pet. at 39-42 *with* Ex. 1003, Shenoy Decl., at ¶¶ 90-96; *see Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper No. 9 at 15 (PTAB Aug. 24, 2022) (precedential). "Declarations such as this are entitled to little, if any weight." *Cellco Partnership d/b/a Verizon Wireless, et al. v. Aspen Networks, Inc.*, IPR2025-00008, Paper 10 at 24 (PTAB March 17, 2025).

filtering functionality, Delco discloses that packet filter 74 uses a set of policy rules based on the characteristics of the network traffic. Ex. 1005, Delco, at 8:33-38. For example, packet filter 74 may consider source and destination addressing (e.g., IP address), the transmission protocol (e.g., HTTP or TCP), the direction of network traffic, packet size, keywords in the headers or payload of a packet, and other factors. *Id.* at 8:38-57; Ex. 2006, Cole Decl., at ¶¶ 51-54.

In contrast to Delco, the '780 patent does not rely on an internal firewall to filter network traffic. Indeed, the '780 patent discloses that the virtual guest system is “allowed to contact the Internet freely” and can “communicate without restriction with any site on the Internet.” Ex. 1001, '780 Patent, at Abstract, 11:58-64. Network traffic passes through either the network firewall or the host-based firewall. *Id.* at 7:10-17, 7:49-62; Ex. 2006, Cole Decl., at ¶¶ 43-45. The '780 patent describes an internal firewall 15 that, instead of examining packets or filtering network traffic, “separates and restricts interaction between virtual system 13 and the trusted-host operating system 17.” Ex. 1001, '780 Patent at 8:13-17; Ex. 2006, Cole Decl. at ¶ 46. It also describes, for example, interactions that are limited by the internal firewall to a

defined set of permissible operations that access host resources (e.g., cut, copy, paste). Ex. 1001, '780 Patent at 8:20-35; Ex. 2006, Cole Decl. at ¶¶ 46-47. Through the internal firewall, if the guest system is compromised, “the guest computer in the virtual machine has no access to... the system assets or files of the host system itself, except to cut, paste, or print.” Ex. 1001, '780 Patent at 6:23-27; *see also id.* at 5:66-6:7; Ex. 2006, Cole Decl., at ¶ 48. Network isolation via packet filtering (e.g., Delco’s packet filter 74) does not *separate the host system from the virtual system* because it does not restrict access to host operating system resources. *Id.* at ¶¶ 46-49, 53-56.

The distinction between network isolation (e.g., packet filtering) and separating the host/virtual systems is also apparent in the claims of the '780 patent. As, Petitioner acknowledges, the '780 patent describes three “distinct methods of isolation.” Pet. 8; Ex. 1003, Shenoy Decl. at ¶¶ 34-36. As recited in claim 1, for example, two of the claimed firewalls (the *host-based firewall* and the *network firewall*) are configured to implement **network isolation** and the third claimed firewall (the *internal firewall*) is configured to **separate the host system from the virtual system**. Based on the express language of the claims and the associated

disclosures in the '780 patent, a firewall configured for network isolation is not the same as a firewall configured to separate a host system from a virtual system. Ex. 2006, Cole Decl., at ¶¶ 53-56. Delco's packet filter 74 is configured for network isolation and does not operate as *an internal firewall [that] is configured to separate the host system from the virtual system. Id.*

Petitioner makes two assertions as to how Delco's packet filter 74 is *configured to separate the host system from the virtual system*. Neither is supported. **First**, Petitioner contends that "each of Delco's virtual machines includes a packet filter 74 ('internal firewall') that filters packets passing between the virtual system and the host system" and "[b]y filtering packets between the virtual machine and the host system, the packet filter is 'configured to separate the host system from the virtual system in the computer system.'" Pet. at 39-40 (citing Ex. 1005, Delco, 7:4–18, Fig. 3). Thus, Petitioner implies that a component that filters packets is a firewall. But the '780 patent does not recite an *internal firewall* configured to filter packets. Rather, as explained above, packet filtering (network isolation) is recited for two separate firewalls recited in claim 1, but not for the *internal firewall*, which is instead configured

to *separate the host system from the virtual system*. As the Board explained in the Cisco Decision, “[t]o the extent that the quoted paragraph [Ex. 1005, Delco, 7:14-18] addresses functioning of packet filter layer 74, it does so only in the last sentence of this paragraph.... There is no explanation as to how or why this sentence (or this paragraph or figure) teaches or suggests separating the host system from the virtual system as recited in the internal firewall limitations.” Cisco Decision at 14-15. As to Petitioner’s reference to packet filter layer 74 “perform[ing] the function of a firewall” by filtering packets (Pet. at 40), the Board noted that the portion of Delco relied upon “relates to a background ‘typical use scenario’ of an ‘external firewall system’ and is not a disclosure of how the proposed invention’s alleged internal firewall (Delco’s packet filter 74), upon which Petitioner relies, actually functions.” Cisco Decision at 15. “[T]here is no explanation as to how or why this passage from Delco relates to Delco’s packet filter 74 or teaches or suggests separating the host system from the virtual system as recited in the internal firewall limitations.” *Id.* at 15-16.

**Second**, Petitioner asserts that Delco’s packet filter 74 is *configured to separate the host system from the virtual system* because it

is “placed between the host operating system 42 and the guest operating systems 58.” Pet. at 40. Here, Petitioner suggests that a device, such as Delco’s packet filter 74, is *configured to separate* the host/guest operating systems merely because it is located “between” them. But this ignores the disclosures in the ’780 patent about how the internal firewall operates:

The guest is separated and completely isolated by an internal firewall from the host, and the guest cannot access any of the resources of the host computer, except that the guest can initiate cut, copy and paste operations..., and the guest can also request print operations. The host can transfer files to and from virtual data storage area accessible by the guest by manual operator action. No other interaction is permitted.

Ex. 1001, ’780 Patent at 3:42-49; *see also id.* at 8:20-35, 12:46-52. Thus, the ’780 patent describes an internal firewall configured to limit access to host resources and limit operations initiated by the guest system. In contrast, Petitioner identifies no disclosure in Delco even suggesting that packet filter 74 limits access to resources of the host operating system. Ex. 2006, Cole Decl. at ¶¶ 51-56. As the Board concluded, “[f]iltering packets from an external network from being transferred to the virtual system as disclosed by Delco (*see* Ex. 1005, Delco, code (57) [Abstract],

7:15–18, 10:28–32) does not separate the host system from the virtual system as recited in the internal firewall limitations.” Cisco Decision at 19.

Furthermore, as the Board explained in the Cisco Decision, “[p]acket filter 74 is positioned to protect Guest OS 58 from external network packets not from the host system or packets originating from the host system.” *Id.* at 16-17 (citing Ex. 1005, Delco, at 6:25-28, 7:15-18, 10:28-32). Thus, the Board concluded that Petitioner’s argument that the position of packet filter 74 in Figure 3 supports its contention that packet filter 74 is an internal firewall “is **contradicted** by Delco.” *Id.* at 17 (emphasis added). “Packet filter 74 is a filter of packets from an external network and does not function to separate the host system from the virtual system.” *Id.*

For these reasons, Petitioner’s attempts to map Delco’s packet filter 74 to the claimed *internal firewall [that] is configured to separate the host system from the virtual system* do not have a reasonable likelihood of success on the merits. Petitioner’s challenges to claims 1 and 11 in Grounds 1 and 2 fail. Because each challenged dependent claim depends

from one of independent claims 1 or 11, each of Petitioner’s challenges to those claims fail as well.

“As a dependent claim contains at least one more limitation than the independent claim upon which it depends, it cannot be invalid under § 102 . . . if the independent claim upon which it depends is not anticipated.” *CA, Inc. v. Simple.com, Inc.*, 780 F. Supp. 2d 196, 260 (E.D.N.Y. 2009); *see also Duhn Oil Tool, Inc. v. Cooper Cameron Corp.*, 2012 U.S. Dist. LEXIS 24088, 2012 WL 604138 (E.D. Cal. Feb. 23, 2012).

Similarly, if an independent claim is nonobvious, then the dependent claim is also nonobvious. *In re Fine*, 837 F.2d 1071, 1076 (Fed. Cir. 1988) (‘A claim that depends from a non-obvious independent claim is non-obvious because it contains all the limitations of the independent claim, plus a further limitation.’). The Board does not need to consider “arguments that certain dependent claim limitations would have been obvious where the base claim has not been proven invalid.” *SynQor, Inc. v. Artesyn Techs., Inc.*, 709 F.3d 1365, 1375 (Fed. Cir. 2013).

## V. CONCLUSION

All six Fintiv factors strongly favor discretionary denial, and institution should be denied just as it was for the nearly identical petitions in IPR2024-01196 and IP2025-00086.

Date: April 25, 2025

Respectfully submitted,

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**CERTIFICATION REGARDING WORD COUNT**

The undersigned hereby certifies that the word count in this Patent Owner's Brief in Support of Request for Discretionary Denial of Institution is 4,807 words, as counted by the word-processing program Microsoft Word that was used to generate this Patent Owner's Brief in Support of Request for Discretionary Denial of Institution, where such word count excludes the table of contents, table of authorities, mandatory notices, certificate of service, appendix of exhibits, claim listing, and this certificate of word count. This Patent Owner's Brief in Support of Request for Discretionary Denial of Institution is in compliance with the 14,000-word limit set forth in 37 C.F.R. § 42.24.

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

The undersigned hereby certifies that the above document was served on April 25, 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 Petitioner:

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