

IPR2025-00591: Opposition to Request for Discretionary Denial

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

INTERNATIONAL BUSINESS MACHINES CORP.,

IBM

v.

VIRTAMOVE, CORP.,

U.S. PATENT NO. 7,784,058

Case IPR2025-00591

**IBM'S OPPOSITION TO VIRTAMOVE'S
REQUEST FOR DISCRETIONARY DENIAL**

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IBM’S EXHIBITS

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1001	U.S. Patent No. 7,784,058 (the “’058 Patent”)
1002	Certified File History of U.S. Pat. No. 7,784,058
1003	Declaration of Todd C. Mowry Ph.D. in Support of Petition for <i>Inter Partes</i> Review of U.S. Patent No. 7,784,058
1004	<i>Curriculum Vitae</i> of Todd C. Mowry, Ph.D.
1005	U.S. Patent No. 6,529,985 (“Deianov”)
1006	David Ely, Stefan Savage & David Wetherall, <i>Alpine: A User- Level Infrastructure for Network Protocol Development</i> , 3D USENIX SYMP. ON INTERNET TECHS. & SYSS. (2001) (“Ely”)
1007	John R. Levine, LINKERS & LOADERS (1999) (“Levine”)
1008	U.S. Patent No. 5,291,601 (“Sands”)
1009	Declaration of the University of Texas at Austin Libraries regarding the “Alpine: A User-Level Infrastructure for Network Protocol Development” Reference
1010	Declaration of Rachel J. Watters on Authentication of Publication
1011	ANDREW S. TANENBAUM, MODERN OPERATING SYSTEMS (2d ed. 2001)
1012	HARVEY M. DEITEL, AN INTRODUCTION TO OPERATING SYSTEMS (1983)
1013	MICROSOFT COMPUTER DICTIONARY (5th ed. 2002)
1014	TALIGENT’S GUIDE TO DESIGNING PROGRAMS: WELL-MANNERED OBJECT-ORIENTED DESIGN IN C++ (1994)
1015	ABRAHAM SILBERSCHATZ & PETER B. GALVIN, OPERATING SYSTEM CONCEPTS (4th ed. 1994)
1016	STEPHEN A. RAGO, UNIX SYSTEM V NETWORK PROGRAMMING (1993)
1017	David M. Beazley, Brian D. Ward & Ian R. Cooke, <i>The Inside Story on Shared Libraries and Dynamic Loading</i> , COMPUT. IN SCI. & ENG’G (Sept./Oct. 2001)

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1018	FreeBSD Handbook, https://download.freebsd.org/doc/en/books/handbook/handbook_en.pdf (last visited Jan. 23, 2025)
1019	WILLIAM H. MURRAY, III & CHRIS H. PAPPAS, <i>MICROSOFT C/C++ 7: THE COMPLETE REFERENCE</i> (1992)
1020	Transcript of Deposition of Donn Rochette, Sept. 10, 2024
1021	W. RICHARD STEVENS, <i>TCP/IP ILLUSTRATED, VOLUME 1: THE PROTOCOLS</i> (1994)
1022	<i>Intel® Pentium® Pro Processor 200 MHz, 256K Cache, 66 MHz FSB</i> , INTEL, https://www.intel.com/content/www/us/en/products/sku/49952/intel-pentium-pro-processor-200-mhz-256k-cache-66-mhz-fsb/specifications.html (last visited Jan. 24, 2025)
1023	Joint Claim Construction and Prehearing Statement. <i>VirtaMove, Corp. v. Hewlett Packard Enterprise Co.</i> , 2:24-cv-00093, Dkt. 124 (Jan. 10, 2025 E.D. Tex.)
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1026	Stefan R. Savage, <i>Protocol Design in an Uncooperative Internet</i> (2002)
1027	Jonathan Michael Salz, <i>Telsa: A Transparent, Extensible Session-Layer Framework for End-to-end Network Services</i> (2002)
1028	Plaintiff’s Third Supplemental Objections and Responses to Defendants’ First Set of Common Interrogatories (Nos. 1-9). <i>VirtaMove, Corp. v. Hewlett Packard Enterprise Co.</i> , 2:24-cv-00093 (Nov. 18, 2024 E.D. Tex.)
1029	Declaration of The University of Washington at Seattle Libraries Regarding “Protocol Design in an Uncooperative Internet” by Stefan R. Savage
1030	Declaration of Sylvia D. Hall-Ellis, Ph.D.

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1031	Wayback Machine – USITS 2001 Abstract, https://web.archive.org/web/20030122034313/http://www.usenix.org/publications/library/proceedings/usits01/ely.html .
1032	The PDL Packet, The Newsletter on PDL Activities and Events Fall 2022
1033	<i>Windows Processor Requirements</i> , MICROSOFT, https://learn.microsoft.com/en-us/windows-hardware/design/minimum/windows-processor-requirements (last visited Feb. 6, 2025)
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1035	Complaint in Second Texas Litigation
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The Board should institute *inter partes* review of the '058 patent, and reject VirtaMove's request that the Board exercise discretion under 35 U.S.C. § 314(a) to deny institution.

VirtaMove's request is based on a false premise: that there is a complete overlap between the issues raised in IBM's Petition and the invalidity issues that will be tried in the parties' ongoing litigation in the Eastern District of Texas, Case No. 2:24-cv-00064-JRG (the "First Texas Litigation"). In fact, dependent claim 3 of the '058 patent, which is one of the claims challenged in IBM's Petition, is no longer at issue in the First Texas Litigation. VirtaMove dropped that claim from the case after filing its request for discretionary denial. Ex-1034, 3. Accordingly, the question of claim 3's validity will not be resolved in the First Texas Litigation.

That fact is significant because on the same day that VirtaMove filed its request for discretionary denial, it also filed a second lawsuit against IBM in the same Texas court, Case No. 2:25-cv-00619 (the "Second Texas Litigation"). Ex-1035. In the Second Litigation, in addition to asserting a patent previously unasserted against IBM, VirtaMove asserts a claim for infringement of U.S. Patent No. 7,519,814 (the "'814 patent")—a patent that is also at issue in the First Texas Litigation and the subject of co-pending IPR2025-00599 in which VirtaMove has also filed a request for discretionary denial. By filing this second lawsuit against IBM on a patent that is already asserted in the First Texas Litigation, VirtaMove has

demonstrated that it has no qualms about filing serial lawsuits on the same patent. By removing claim 3 from the First Texas Litigation after filing its request for discretionary denial, VirtaMove appears to hope to insulate that claim from any invalidity finding in that litigation or in this proceeding, so that it can potentially assert that claim against IBM in a future serial lawsuit, just like it did the '814 patent. The Board should not countenance such gamesmanship. As it currently stands, the PTAB is the only *inter partes* forum that can address claim 3's validity in a timely fashion. The Board should not permit VirtaMove to avoid that timely determination on claim 3 through this procedural maneuvering.

Moreover, the scheduling order in the First Texas Litigation includes a deadline for VirtaMove to further narrow its asserted claims, and notes that it is common practice in the Eastern District of Texas for plaintiffs to drop claims on the eve of trial. Ex-2005, 2. Thus, after VirtaMove assesses the strength of IBM's expert report on invalidity, it can elect to drop additional claims from the First Texas Litigation, which will leave the PTAB as the only remaining forum for evaluating those claims' validity. This is a further reason to deny VirtaMove's request for discretionary denial.

In addition, IBM has provided a standard *Sotera* stipulation, which will avoid any duplicative efforts between this proceeding and the First Texas Litigation. Petition, 67. Although VirtaMove asserts that IBM's *Sotera* stipulation is

insufficient because it purportedly allows for duplicative invalidity theories by combining references in the petition with system art, VirtaMove does not analyze IBM's contentions, and instead relies solely on conclusory attorney argument. Further, on June 23, 2025, IBM served its expert report on invalidity issues in the First Texas Litigation. Ex-1036. Notably, that report does not rely on either of the two primary references cited in IBM's Petition—Deianov and Ely—as primary references combined with any system art. But to allay any concerns, IBM will further stipulate that, if this IPR proceeding is instituted, IBM will not rely in the First Texas Litigation, as a basis for invalidity under 35 U.S.C. §§ 102 or 103, on any primary reference that (1) is a primary reference relied upon in the Petition, *i.e.*, Deianov or Ely, in combination with unpublished system prior art, or (2) is unpublished system prior art related to Deianov or Ely.

VirtaMove also seeks to rely on so-called “settled expectations” because the '058 patent issued in 2010 (two years before the AIA came into effect and IPRs became available to patent challengers) and purportedly was cited in an IBM patent application in 2015. Yet, VirtaMove conspicuously withholds from the Board the fact that IBM and VirtaMove were business partners from 2012 until at least 2023. Ex-1037, 3. IBM would not have had any reason to bring an invalidity challenge against VirtaMove while the parties were business partners. VirtaMove was not justified in forming any “expectation” regarding the validity of its patents while IBM

lacked any reason to challenge them. Moreover, VirtaMove did not give IBM pre-suit notice of infringement before it sued IBM in January 2024, nor did VirtaMove begin enforcing the '058 patent against any others in the industry until January 26, 2024, when it filed suit against Amazon just five days before suing IBM. Ex-1038. If any party's expectations were settled here, it was **IBM's** expectations that a former business partner would not sue it on a 14-year-old patent without providing prior notice of infringement. Having never meaningfully asserted the '058 patent against anyone until 2024, VirtaMove had no reasonable expectation—settled or otherwise—that the patent is valid or that its validity would not be challenged via IPR.

For these reasons, and the other reasons discussed below, VirtaMove's request for discretionary denial should be denied.

I. THE BOARD SHOULD REJECT VIRTAMOVE'S ATTEMPT TO AVOID A FULL RESOLUTION OF THE PARTIES' VALIDITY DISPUTE.

The difference in the set of claims at issue in the First Texas Litigation versus IBM's Petition weighs heavily in favor of denying VirtaMove's request for a discretionary denial under *Fintiv* Factor 4. *See, e.g., Apple, Inc. v. Maxwell, Ltd.*, IPR2020-00204, Paper 11 at 17 (PTAB June 19, 2020) (finding that claims being challenged in *inter partes* review, but not in the underlying litigation, favored institution).

On June 23, 2025—after it filed its present request for discretionary denial—VirtaMove served its technical expert report on alleged infringement in the First Texas Litigation. Ex-1034. As evidenced by a review of the table of contents, that report does not contain any infringement analysis for claim 3 of the '058 patent. *Id.*, 3. Because VirtaMove has now dropped claim 3 from the First Texas Litigation, claim 3's validity will not be decided in that case. IBM has presented invalidity as an affirmative defense in the First Texas Litigation. Ex-1039, 8. Now, with no affirmative claim of infringement of claim 3, IBM cannot present an invalidity defense to that unasserted claim at trial. *See, e.g., 800 Adept, Inc. v. Murex Sec., Ltd.*, 539 F.3d 1354, 1368 (Fed. Cir. 2008).

Notably, while VirtaMove represented to the Board in its request for discretionary denial that claim 3 is part of the First Texas Litigation (Request, 12), VirtaMove has made no attempt to notify the Board of this critical change in the claims it is asserting. Moreover, on the same day that VirtaMove filed its request for discretionary denial, VirtaMove sued IBM for infringement of the related '814 patent in a new proceeding, the Second Texas Litigation. Ex-1035. As with its failure to inform the Board that it has dropped claim 3 from the First Texas Litigation, VirtaMove failed to tell the Board that it was bringing this Second Texas Litigation. The Second Texas Litigation is not only highly relevant to the co-pending IPR concerning the '814 patent that is asserted against IBM in both actions,

but also highly relevant to this proceeding given VirtaMove's dropping of claim 3 of the '058 patent from the First Texas Litigation: the filing of the Second Texas Litigation demonstrates VirtaMove's willingness to file serial lawsuits on the same patent.

The strategy behind VirtaMove's procedural maneuverings—and its failure to reveal them to the Board—seems obvious. VirtaMove wants to avoid a finding in the First Texas Litigation that claim 3 is invalid by dropping that claim from the case—while at the same time VirtaMove wants to obtain a discretionary denial from the Board on the (now incorrect) premise that the same claims are at issue in the First Texas Litigation and in IBM's petition. If successful, VirtaMove's strategy will shield claim 3 from invalidity findings both in the First Texas Litigation and before the Board, while unfairly allowing VirtaMove to assert claim 3 against IBM in a future lawsuit—even if the other asserted claims are invalidated in the First Texas Litigation. The Board should not reward VirtaMove's gamesmanship and its less-than-candid attempt to obtain a discretionary denial without telling the Board it has dropped claim 3 from the First Texas Litigation.

In addition, the First Texas Litigation's scheduling order gives VirtaMove until 10 days before jury selection to drop additional claims, after VirtaMove assesses the strength of IBM's expert report on invalidity. Ex-2005, 2. The Docket Control Order expressly recognizes that it is a common practice for patent

infringement plaintiffs to drop asserted claims on the eve of trial. *Id.*, n2. (“Given the Court’s past experiences with litigants dropping claims and defenses during or on the eve of trial, the Court is of the opinion that these additional deadlines are necessary.”). Thus, there is a strong likelihood that VirtaMove will drop additional claims. That likely narrowing would differentiate the First Texas Litigation from this proceeding even further.

II. IBM’S *SOTERA* STIPULATION FURTHER WEIGHS AGAINST A DISCRETIONARY DENIAL.

IBM’s stipulation under *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 18–19 (PTAB Dec. 1, 2020), also weighs against discretionary denial under *Fintiv* Factor 4. Per *Sotera*, IBM has stipulated that if the Board institutes *inter partes* review, IBM will not pursue in the First Texas Litigation the specific grounds asserted in its Petition or any ground that reasonably could have been raised in an IPR. Petition, 67. The Board has consistently held that a *Sotera* stipulation weighs against discretionary denial, because it avoids duplicative efforts between the district court and the Board. *See, e.g., Stingray Grp., Inc. et. al v. Edwin A. Hernandez-Mondragon*, IPR2025-00351, Paper 18 at 9 (PTAB June 13, 2025); *Ericsson Inc. v. Dali Wireless, Inc.*, IPR2022-01570, Paper 10 at 25 (PTAB May 17, 2023); *BMW of North Am., LLC v. NorthStar Sys. LLC*, IPR2023-01017, Paper 12

at 9–10 (PTAB Dec. 8, 2023); *Lego Sys., Inc. v. MQ Gaming LLC*, No. IPR2020-01445, 2021 WL 606917, at *6 (PTAB Feb. 16, 2021).

VirtaMove nevertheless contends that IBM’s *Sotera* stipulation is insufficient because (according to VirtaMove) IBM “apparently reserves all rights to rely on system prior art even if they are closely related or by the same prior artists as the Deianov, Ely, Levine, and Sands references.” Request, 13–14 (citing *Motorola Sols. Inc., v. Stellar, LLC.*, IPR2024-01205, -01206, -01297, -01208, Paper 19 at 3–4 (PTAB Mar. 28, 2025) (“*Motorola*”). VirtaMove also asserts that the *Motorola* decision establishes that “a standard *Sotera* stipulation is no longer sufficient to determine that *Fintiv* Factor 4 weighs in favor of institution where the district court invalidity contentions ‘are more expansive and include combinations of the prior art asserted in these proceedings with unpublished system prior art, which Petitioner’s stipulation is not likely to moot.’” *Id.*, 14 (quoting *Motorola* at 4).

Nowhere, however, does the *Motorola* decision indicate that a standard *Sotera* stipulation fails to weigh in favor of institution. Rather, the PTAB simply found, on the particular facts of that case, that the *Sotera* stipulation at issue in *Motorola* did not outweigh other *Fintiv* factors. *See Motorola*, at 4. Critically, as VirtaMove itself quotes, the Board’s conclusion in *Motorola* was based on a factual finding that the invalidity contentions in that case “are more expansive and include combinations of the prior art asserted in these proceedings with unpublished system prior art.” *Id.*

Yet, VirtaMove does not even attempt to analyze IBM's asserted prior art in its request, nor does VirtaMove explain how, in view of IBM's *Sotera* stipulation, there could be any meaningful duplication of effort between the Texas court and the Board if this IPR were instituted.

In any event, to address VirtaMove's concerns, IBM will further stipulate as set forth *supra* at page 3, namely, if this IPR proceeding is instituted, IBM will not rely in the First Texas Litigation, as a basis for invalidity under 35 U.S.C. §§ 102 or 103, on any primary reference that (1) is a primary reference relied upon in its Petition, *i.e.*, Deianov or Ely, in combination with unpublished system prior art, or (2) is unpublished system prior art related to Deianov or Ely. Thus, should this IPR be instituted, the invalidity theories to be tried in the First Texas Litigation will be substantively different from those in this IPR proceeding, eliminating any duplication concern.¹ IBM's *Sotera* stipulation, including as supplemented herein, therefore weighs in favor of institution under *Fintiv* Factor 4.

¹ In the Petition, IBM relies on secondary reference Levine for teaching the use of shared libraries. *See, e.g.*, Petition, 14, 18, 46. In his expert report, IBM's technical expert relies on the same teaching from Levine in combination with FreeBSD, a system art reference not relied upon in the Petition. IBM's expert relies on Levine as a secondary reference in combination with FreeBSD only in the alternative. Ex-1036, ¶ 1108. In contrast, FreeBSD is relied on by itself for every claim limitation. *Id.*, ¶¶ 999, 1056, 1062, 1069, 1073. In these circumstances, reliance on Levine as a secondary reference in the alternative does not raise duplication concerns. *See Samsung Display Co., Ltd. v. Pictiva Displays Int'l Ltd.*, IPR2024-

VirtaMove also faults IBM’s *Sotera* stipulation because, according to VirtaMove, it “permits subsequent *ex parte* reexamination petitions on grounds that could have been raised in the Petition.” Request, 15. But should this IPR be instituted, and IBM not prevail in a final written decision, IBM would be subject to IPR estoppel. 35 U.S.C. §315(e)(1). VirtaMove’s concern over a subsequent *ex parte* reexamination is unfounded as a matter of law.

III. VIRTAMOVE’S PURPORTED “SETTLED EXPECTATIONS” DO NOT SUPPORT A DISCRETIONARY DENIAL.

VirtaMove also relies on its supposed “settled expectations” to try to justify its request for a discretionary denial. According to VirtaMove, “[t]he considerable length of time the claims have been in force have built a foundation of settled expectations by the Patent Owner, providing a reasonable expectation that the presumptively valid patent claims—which already passed thorough examination by the Office—may be relied upon to defend Patent Owner’s intellectual property rights.” Request, 21. VirtaMove further asserts that IBM has been aware of the ’058 patent since 2015 because the patent was cited during the prosecution of an IBM patent that is unrelated to this parties’ dispute. *Id.*

01222, Paper 12 at 7–8 (PTAB Mar. 6, 2025) (finding that *Fintiv* Factor 4 weighs against discretionary denial even where petitioner asserted the same primary references in district court litigation where there was incomplete overlap).

As an initial matter, it is notable that VirtaMove failed to submit a sworn declaration from anyone at VirtaMove indicating that it had any expectations—much less “settled expectations”—that its patent claims were valid and would be free from any invalidity challenge by IBM before the Board. *See, e.g., Twitch Interactive, Inc. v. Razdog Holdings LLC*, IPR2025-00307, -00308, Paper 19 at 3 (PTAB May 16, 2025) (denying request for discretionary denial where “alleged settled expectations of the parties,” among other allegations, are not “sufficiently explained”). VirtaMove’s failure to provide a declaration is not surprising, as the key facts confirm that VirtaMove could not reasonably have arrived at any settled expectation that the ’058 patent was immune from challenge by IBM.

VirtaMove conspicuously fails to mention in its request that as of 2012—the same year IPRs became available to patent challengers for the first time—IBM and VirtaMove (then known as “AppZero Software”) had entered into a business partnership whereby VirtaMove was to provide IBM with migration technology to move IBM’s customers’ applications into IBM’s cloud environment. Ex-1037, 3. That partnership began in 2012, and on June 27, 2014, VirtaMove and IBM entered

into a license agreement, referred to as the “IBM Assistance Agreement,” which governed the terms of the parties’ business relationship. *Id.*, 3, 7–8.²

Given the parties’ longstanding business partnership, which lasted over a decade, VirtaMove’s present suggestion that its then-business partner, IBM, should have challenged the ’058 patent’s validity in the middle of that partnership is ridiculous on its face. Critically, consistent with the friendly business partnership that lasted from 2012 to 2023, VirtaMove never once provided notice to IBM of any alleged infringement during this span. Indeed, IBM did not learn of VirtaMove’s infringement allegations until VirtaMove sued IBM for infringement on January 31, 2024—right after the partnership ended. Moreover, VirtaMove did not assert the patent against anyone in the industry until it filed its lawsuit against Amazon on January 26, 2024, only five days before it brought suit against IBM. Ex-1038. Given that IBM had no reason whatsoever to believe that its business partner, VirtaMove, would seek to assert the ’058 patent against IBM until VirtaMove actually sued IBM in January 2024, IBM had no reason to challenge the patent’s validity. Under the circumstances, where VirtaMove never gave its partner, IBM, any reason to suspect

² Although the parties’ business partnership ended in late 2023, the IBM Assistance Agreement was never terminated. Ex-1037, 3, 7–8. IBM is presently asserting a license defense against VirtaMove’s infringement claim based on the terms of that Agreement. *Id.*, 12–17.

that VirtaMove intended to assert the '058 patent against it, VirtaMove could not reasonably have developed any expectation—settled or otherwise—that IBM would not seek to have the '058 patent invalidated *if* VirtaMove one day decided to sue IBM for infringement, as it has now done.

VirtaMove also attempts to fault IBM for filing its Petition at the one-year deadline that 35 U.S.C. § 315(b) provides for filing an IPR after being sued for infringement. As VirtaMove itself acknowledges, however, IBM's invalidity contentions in the First Texas Litigation were due in October 2024. Request, 2. As the Board surely can appreciate, after IBM was sued out of the blue for patent infringement by its former business partner, IBM's focus was searching on prior art in the first instance and then preparing its contentions. Far from it somehow being unreasonable that IBM filed its IPR Petition just a few months later—within the statutory deadline—that is in fact a typical timeline when the parties are involved in parallel litigation. *See, e.g., Software Rights Archive, LLC v. Facebook, Inc.*, No. 12-cv-03970 RMW, 2013 WL 5225522, at *6 (N.D. Cal. Sept. 17, 2013) (finding that “[a]lthough defendants did wait nearly a year to file the IPR petitions, they properly filed the petitions within the statutory time frame, and the delay was not unreasonable under the facts,” where defendants prepared and filed the petitions a few months after serving preliminary invalidity contentions, which “seem[ed] like a reasonable amount of time given the complexity of the claims, prosecution history

and prior art at issue”); *Cypress Lake Software, Inc. v. Samsung Elecs. Am., Inc.*, No. 6:18-cv-30-JDK, 2019 U.S. Dist. LEXIS 229613, at *8 (E.D. Tex. Aug. 28, 2019) (“Delay alone does not usually constitute undue prejudice, because parties having protection under the patent statutory framework may not complain of the rights afforded to others by that same statutory framework.”) (quoting *Asetek Holdings, Inc. v. Cooler Master Co.*, No. 13-cv-00457-JST, 2014 U.S. Dist. LEXIS 47134, at *13 (N.D. Cal. Apr. 3, 2014)). Faulting IBM for *complying* with the one-year statutory time limit when IBM was facing the pressure and burden of VirtaMove’s surprise district court litigation would turn § 315(b) on its head and unfairly prejudice IBM.

IV. THE STRENGTH OF IBM’S PETITION ALSO WEIGHS AGAINST A DISCRETIONARY DENIAL.

IBM’s very strong Petition also militates against discretionary denial. While VirtaMove baldly asserts that IBM’s petition “fails to present any compelling merits of unpatentability” and relies on unreliable expert testimony as a “gap-filler,” (Request, 17, 20) VirtaMove fails to analyze or discuss the substance of IBM’s petition or its expert’s declaration. VirtaMove’s criticism is pure, unsupported attorney argument. *See Twitch Interactive, Inc. v. Razdog Holdings LLC*, IPR2025-00307, -00308, Paper 19 at 3 (PTAB May 16, 2025) (denying request for discretionary denial where “alleged weaknesses of the Petition,” among other

allegations, are not “sufficiently explained”). If VirtaMove really believed that IBM’s Petition lacked merit, it should have addressed the references relied on by IBM and explained why they supposedly “lack merit.” VirtaMove also should have made some attempt to illustrate how IBM’s expert declaration allegedly fills gaps in the prior art and is unreliable. VirtaMove did neither. The March 26, 2025 Interim Processes for PTAB Workload Management memorandum make clear that it was VirtaMove’s burden to include this analysis in its request for discretionary denial. Because VirtaMove failed to do so, its criticism should be deemed waived. *See Apple Inc. v. DH International Ltd.*, IPR2025-00172, Paper 8 at 38 (PTAB June 25, 2025) (“Any argument not asserted in a timely-filed brief, such as a response to the Petition, may be deemed forfeited or waived, even if that argument appears in the Preliminary Response.”).

A review of IBM’s Petition and expert declaration reveals that the Petition presents strong and compelling grounds for invalidity, and that the declaration is neither unreliable nor a “gap-filler.” IBM’s Petition presents two independent grounds of single-reference obviousness against all challenged claims, one ground based on Deianov (Ground I) and a second ground based on Ely (Ground II). While VirtaMove suggests that IBM’s Petition is weak because it does not present any anticipation grounds, the Board routinely finds ground based on obviousness to be compelling. *See, e.g., SAP Am. Inc. v. Cyandia, Inc.*, IPR2024-01433, Paper 13 at

12–13 (PTAB Apr. 7, 2025); *Ericsson Inc. v. Active Wireless Techs. LLC*, IPR2024-00985, Paper 11 at 19–25 (PTAB Dec. 12, 2024); *BioNTech SE v. ModernaTX, Inc.*, IPR2023-01359, Paper 20 at 77 (PTAB Mar. 19, 2024). Nor are the grounds duplicative—Deianov and Ely are different references with different disclosures.

Moreover, as a reading of IBM’s petition makes clear, Deianov and Ely each disclose or render obvious—*on their own*—every single element of every single challenged claim. *See, e.g.*, Petition, Section VIII. IBM’s petition also explains why the alleged points of novelty identified by the Examiner in the Notice of Allowance are disclosed or rendered obvious by Deianov and Ely by themselves. In the Notice of Allowance, the Examiner identifies a number of claim limitations that were not purportedly disclosed by the art cited during prosecution. Ex-1002, 357–358. IBM’s petition explains in detail, however, how these claim limitations are all taught by both Deianov and Ely *on their own*. *See, e.g.*, Petition, 34–36, 38–39, 42–43, 56–62. Unable to grapple with the merits of IBM’s Petition, VirtaMove resorts to misrepresenting the issues it raises, asserting that the Petition is “vague and ambiguous” and relies on “many combinations and permutation of three references to assert obviousness.” Request, 17–18. In support of this argument, VirtaMove misrepresents IBM’s shorthand articulation of the grounds set forth in Section III of the Petition, without analyzing how the cited art is actually applied to the challenged claims. *Id.*

As noted above, and as a reading of the Petition makes clear, IBM's Petition relies on two primary prior art references, Deianov (Ground I) and Ely (Ground II). The Petition clearly and unambiguously contends that the Deianov and Ely references each render the challenged claims obvious *on their own*. Petition, 18, 45. Thus, IBM's primary argument in the Petition is *single-reference obviousness*, made based on Deianov (Ground I) and Ely (Ground II). *Id.* In addition to those primary obviousness theories, IBM relies on two secondary references—Levine and Sands—*in the alternative* as confirming that shared libraries were well known to a POSITA, and that a POSITA would have been motivated to include a shared library in the systems taught by Deianov and Ely (to the extent VirtaMove argues they are not taught by Deianov and Ely) as a combination of prior art elements according to known methods, a known technique to improve similar devices in the same way, and the application of a known technique to improve a known device ready for improvement to yield predictable results. *See, e.g., id.*, 18–24, 46–49. The Petition further explains how Levine and Sands confirm that, as a general matter, shared libraries and their benefits were well known to a POSITA, for example: “Given the specific need to provide commonly utilized resources to a plurality of applications for simultaneous utilization as taught by Deianov . . . but without a detailed disclosure of a mechanism to do so, it would have been obvious to a POSITA that shared libraries like those disclosed in Levine and Sands were ideal for this purpose

and would provide Deianov with the benefits of shared libraries with components simultaneously available to multiple applications.” Petition, 22–23; *see also id.*, 18–21. The Petition also explains that “a POSITA would have been motivated to incorporate into Deianov a shared library as generally taught by Levine and Sands to house resources that can be linked to and simultaneously used by different applications at runtime, for multiple reasons,” and then goes on to explain those reasons. *Id.*, 19; *see also id.*, 45–49 (discussing Ely).

There is nothing “vague and ambiguous” about these theories, nor does IBM rely on “many combinations and permutation of three references to assert obviousness.” Request, 17–18. On the contrary, IBM’s Petition presents highly specific single-reference obviousness grounds and analysis for its contention that the ’058 patent’s claims are invalid in view of Deianov or Ely *by themselves*, and there is nothing at all improper about IBM relying on alternative obviousness references as teaching specifically the use of shared libraries. *See, e.g., Realtime Data, LLC v. Iancu*, 912 F.3d 1368, 1372–74 (Fed. Cir. 2019) (affirming PTAB finding of invalidity based on alternative reference in combination with primary reference); *see also Polygroup Ltd. MCO v. Willis Elec. Co., Ltd*, 759 F. App’x 934, 942–43 (Fed. Cir. 2019). Section 312(a)(3) requires an IPR petition to identify “in writing and with particularity, each claim challenged, the grounds on which the challenge to each

claim is based, and the evidence that supports the grounds for the challenge to each claim.” 35 U.S.C. § 312(a)(3). IBM’s petition does just that.

VirtaMove also asserts, without citing any authority, that “the Petition provides *no* substantive § 325(d) analysis for the agency to assess if the combinations of prior art features in the Petition are merely a rework of the prior art already assessed during prosecution.” Request, 18. Yet, the Board has consistently “held that a reference that ‘was neither applied against the claims nor discussed by the Examiner’ does not weigh in favor of exercising . . . discretion under § 325(d).” *Fasteners for Retail, Inc. v. RTC Indus., Inc.*, IPR2019-00994, Paper 9 at 7–11 (PTAB Nov. 5, 2019) (citing *Hobbico, Inc. v. Traxxas, L.P.*, IPR2018-00010, Paper 8 at 19 (PTAB Apr. 18, 2018)). Deianov, Ely, Levine, and Sands were not cited in an IDS or by the Examiner during the ’058 patent’s original prosecution. Ex-1001, Cover.

Further, VirtaMove makes no affirmative argument that discretionary denial under § 325(d) is appropriate here, an argument that should now be deemed waived. *Apple*, IPR2025-00172, Paper 8 at 38. Indeed, VirtaMove makes no comparison whatsoever between the references relied upon in the Petition and the prior art substantively addressed by the Examiner during prosecution. Request, 18. No could it reasonably do so. IBM asserts in the Petition and confirms with its detailed analysis of Deianov and Ely that “[t]he Deianov and Ely references . . . disclose or

render obvious all the elements allegedly missing from the prior art during the original prosecution.” Petition, 5. VirtaMove fails to offer any rebuttal to IBM’s analysis in its Request.

V. THE REMAINING *FINTIV* FACTORS DO NOT OUTWEIGH VIRTAMOVE’S PROCEDURAL MANIPULATIONS IN THE TEXAS LITIGATIONS OR IBM’S *SOTERA* STIPULATION.

VirtaMove relies heavily on its assertion that the First Texas Litigation will go to trial before a final written decision can be issued in an IPR. Request, 8–10. As discussed above, however, regardless of when any trial takes place in the First Texas Litigation, it will not involve claim 3. Moreover, VirtaMove concedes, as it must, that there is no guarantee that a trial will occur in the First Texas Litigation this year. *Id.*, 9. VirtaMove also fails to account for the potential impact of the Second Texas Litigation—of which, again, it failed to notify the Board. Judge Gilstrap may consolidate the two actions given that the patents asserted in both cases are related to each other and implicate the same accused products and overlapping prior art. If that happens, then, using the Eastern District of Texas’ median time to trial of 23 months (Request, 10), trial almost certainly will not take place until after a final written decision is issued in this proceeding. Accordingly, *Fintiv* Factor 2—which should weigh in IBM’s favor following VirtaMove’s dropping of claim 3—is, at the very least, neutral.

VirtaMove also relies on the fact that no stay pending IPR has been granted in the First Texas Litigation, and it asserts that a stay is unlikely, given Judge Gilstrap’s track record. Request, 6–8. But what Judge Gilstrap will do here depends on the facts of this case, not previous cases he has considered. *See, e.g., Google Inc. v. Parus Holdings, Inc.*, IPR2020-00846, Paper 9 at 11 (PTAB Oct. 21, 2020) (“[A]ll Patent Owner offers is conjecture based on how the Texas court has ruled in different cases based on different facts.”). For example, as noted above, Judge Gilstrap could consolidate the Second Texas Litigation with the First Texas Litigation, and he then could choose to stay both proceedings pending the outcome of an IPR proceeding should it be instituted. On the particular facts of this case, especially following VirtaMove’s filing of the Second Texas Litigation, *Fintiv* Factor 1 is speculative and therefore neutral at best.

In addition, VirtaMove cites the resources the parties have invested in the First Texas Litigation as supporting a discretionary denial. Request, 10–12. But, as discussed above, though, there is no longer a complete overlap of claims. Thus, the resources expended on claim 3 are no longer relevant, because there will be no validity judgment on claim 3 in the First Texas Litigation. Further, should Judge Gilstrap consolidate the First Texas Litigation and the Second Texas Litigation, an IPR will *conserve* resources going forward since it will potentially avoid continued district court litigation over the next two years. Thus, *Fintiv* Factor 3 is at best

neutral on the present facts. *See Samsung Display Co., Ltd. v. Pictiva Displays International Ltd.*, IPR2024-01222, Paper 12 at 7 (PTAB Mar. 6, 2025).

Further, although the parties to this proceeding and the First Texas Litigation are the same (*Fintiv* Factor 5), that consideration should not outweigh the gamesmanship VirtaMove has shown in dropping claim 3 from the First Texas Litigation without notifying the Board of this development, while trying to shield the patent from a finding of invalidity in this forum. *Fintiv* Factor 5 also does not outweigh IBM's *Sotera* stipulation including as supplemented herein, which ensures that substantively different invalidity theories will be heard in the district court case versus in this proceeding.

VI. CONCLUSION

For the reasons set forth above, IBM respectfully asks the Board to deny VirtaMove's request for a discretionary denial.

Dated: July 10, 2025

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

This Petition complies with the type-volume limitations as mandated in 37 C.F.R. § 42.24, totaling 5,258 words. Counsel has relied upon the word count feature provided by Microsoft Word.

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e)(1), I certify that the above document was served on July 10, 2025, by filing this document through the Patent Trial and Appeal Case Tracking System (P-TACTS) as well as delivery a copy via electronic mail upon the following attorneys of record for the Patent Owner:

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