

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TESSELL, INC.,
Petitioner,

v.

NUTANIX, INC.,
Patent Owner.

Case No. IPR2025-00732
Patent No. 10,817,157

**PETITIONER'S OPPOSITION TO PATENT OWNER'S REQUEST FOR
DISCRETIONARY DENIAL**

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LISTING OF EXHIBITS

Exhibit	Description
1001	U.S. Patent No. 10,817,157
1002	Prosecution History of U.S. Patent No. 10,817,157
1003	Declaration of Dr. Samrat Bhattacharjee (“Bhattacharjee”)
1004	Curriculum Vitae of Dr. Bhattacharjee
1005	U.S. Patent No. 8,713,060 (“Sivasubramanian”)
1006	U.S. Patent No. 8,150,808 (“Zha”)
1007	U.S. Patent App. Pub. No. 2018/0232142 (“Shekar”)
1008	U.S. Patent No. 6,542,893 (“Quernemoen”)
1009	The American Heritage Dictionary of the English Language (5th ed. 2011) (“Heritage”)
1010	U.S. Patent No. 7,873,684 (“Souder”)
1011	U.S. Patent App. Pub. No. 2018/0324279 (“Barton”)
1012	Using Oracle Database Cloud Service – Creating a Database Deployment (2017) (“Oracle”) (Wayback Machine Capture, January 18, 2017), available at https://web.archive.org/web/20170118071307/https://docs.oracle.com/en/cloud/paas/database-dbaascloud/csdbi/create-db-deployment.html
1013	Amazon Relational Database Service User Guide (2016) (“RDS”) (Wayback Machine Capture, April 12, 2016), available at https://web.archive.org/web/20160412105355/http://docs.aws.amazon.com/AmazonRDS/latest/UserGuide/rds-ug.pdf
1014	U.S. Patent App. Pub. No. 2009/0319582 (“Simek”)
1015	U.S. Patent No. 7,331,000 (“Ohno”)
1016	U.S. Patent App. Pub. No. 2016/0182328 (“Bhasin”)
1017	U.S. Patent App. Pub. No. 2016/0077925 (“Tekade”)
1018	U.S. Patent App. Pub. No. 2019/0324865 (“Weissman”)
1019	RESERVED

Exhibit	Description
1020	RESERVED
1021	RESERVED
1022	“Taking a Backup Using Snapshots” (“LVM-Howto”) (Wayback Machine Capture, January 20, 2007), available at https://web.archive.org/web/20070120200004/https://tldp.org/HOWTO/LVM-HOWTO/snapshots_backup.html
1023	U.S. Patent App. Pub. No. 2004/0059878 (“Madany”)
1024	U.S. Patent App. Pub. No. 2006/0161879 (“Lubrecht”)
1025	PCT Pub. No. WO 2010/106578 (“Utsunomiya”)
1026	U.S. Patent No. 10,855,554 (“Freeman”)
1027	U.S. Patent No. 11,182,372 (“Jain”)
1028	U.S. Patent App. Pub. No. 2016/0057077 (“Gomatam”)
1029	U.S. Patent No. 11,036,696 (“Higginson”)
1030	U.S. Patent No. 9,305,068 (“Esposito”)
1031	U.S. Patent No. 7,873,610 (“Poulsen”)
1032	“Creating Instances,” Google Cloud (“Google”) (Wayback Machine Capture, September 18, 2018), available at https://www.archive.org/web/20180918103721/https://cloud.google.com/sql/docs/mysql/create-instance
1033	U.S. Patent App. Pub. No. 2003/0046353 (“Chung”)
1034	RESERVED
1035	RESERVED
1036	U.S. Patent App. Pub. No. 2018/0173452 (“Hu”)
1037	U.S. Patent No. 10,078,465 (“Wu”)
1038	U.S. Patent No. 9,830,082 (“Srinivasan”)
1039	U.S. Patent App. Pub. No. 2016/0266913 (“Achillopoulos”)
1040	U.S. Patent App. Pub. No. 2017/0262232 (“Zhao”)
1041	U.S. Patent App. Pub. No. 2019/0116237 (“Gibson”)
1042	U.S. Patent No. 10,206,092 (“Mellquist”)

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1043	U.S. Patent No. 11,243,703 (“Watkins”)
1044	U.S. Patent App. Pub. No. 2015/0207683 (“Adogla”)
1045	RESERVED
1046	RESERVED
1047	U.S. Patent App. Pub. No. 2006/0107006 (“Green”)
1048	U.S. Patent App. Pub. No. 2008/0059894 (“Cisler”)
1049	U.S. Patent App. Pub. No. 2013/0110779 (“Taylor”)
1050	U.S. Patent App. Pub. No. 2016/0306840 (“Deshmukh”)
1051	U.S. Patent App. Pub. No. 2018/0121521 (“Bivol”)
1052	U.S. Patent No. 10,496,302 (“Gaurav”)
1053	RESERVED
1054	RESERVED
1055	U.S. Patent No. 8,335,765 (“McAlister”)
1056	RESERVED
1057	RESERVED
1058	Affidavit of Nathaniel E. Frank-White
1059	RESERVED
1060	U.S. Patent No. 11,120,011 (“Priebe”)
1061	U.S. Patent No. 7,634,679 (“Quintanillo”)
1062	U.S. Patent App. Pub. No. 2009/0276771 (“Nickolov”)
1063	U.S. Patent App. Pub. No. 2016/0188421 (“Karinta”)
1064	RESERVED
1065	U.S. Patent App. Pub. No. 2016/0378361 (“Uriel”)
1066	RESERVED
1067	U.S. Patent App. Pub. No. 2017/0228227 (“Winterfeldt”)
1068	U.S. Patent App. Pub. No. 2014/0337844 (“Jin-844”)
1069	U.S. Patent No. 9,582,297 (“Jin-297”)

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1070	U.S. Patent No. 10,572,292 (“Bhandari”)
1071	U.S. Patent App. Pub. No. 2015/0188775 (“VanDerWalt”)
1072	U.S. Patent App. Pub. No. 2018/0063088 (“Hardy”)
1073	U.S. Patent No. 4,742,482 (“Inskeep”)
1074	U.S. Patent App. Pub. No. 2015/0207682 (“Nichele”)
1075	U.S. Patent App. Pub. No. 2013/0232497 (“Jalagam”)
1076	U.S. Patent App. Pub. No. 2010/0017801 (“Kundapur”)
1077	U.S. Patent App. Pub. No. 2006/0029096 (“Babbar”)
1078	UK Patent Application No. GB2451943 (“Wren-Hilton”)
1079	U.S. Patent App. Pub. No. 2013/0238331 (“Mikan”)
1080	U.S. Patent App. Pub. No. 2016/0239637 (“Miller”)
1081	U.S. Patent App. Pub. No. 2016/0066201 (“Kerpez”)
1082	U.S. Patent App. Pub. No. 2018/0060119 (“Zamir”)
1083	U.S. Patent App. Pub. No. 2015/0188789 (“Jayaprakash”)
1084	U.S. Patent App. Pub. No. 2015/0207703 (“Gallagher”)
1085	U.S. Patent App. Pub. No. 2006/0161462 (“Sharma”)
1086	RESERVED
1087	U.S. Patent App. Pub. No. 2002/0082858 (“Heddaya”)
1088	<i>Supported Platforms: MySQL Database, available at https://web.archive.org/web/20181106221826/https://www.mysql.com/support/supportedplatforms/database.html</i> (“MySQL”)
1089-1100	RESERVED
1101	A screenshot of the Expedia webpage displaying the “Preferred class” dropdown menu in its expanded state, Expedia website (Wayback Machine Capture, July 15, 2018), available at https://web.archive.org/web/20180715133951%20https://www.expedia.com/#expand (“Expedia”)
1102-1105	RESERVED

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1106	U.S. Patent No. 9,389,962 (“Yueh”)
1107	U.S. Patent App. Pub. No. 2018/0307728 (“Crupi”)
1108	U.S. Patent App. Pub. No. 2015/0095813 (“Welicki”)
1109	U.S. Patent App. Pub. No. 2006/0161865 (“Scott”)
1110-1121	RESERVED
1122	Order Granting Defendant’s Motion to Compel Arbitration, <i>Nutanix v. Tessell</i> , Case No. 24-cv-01729-AMO, Dkt. No. 23 (Mar. 12, 2025)
1123	Federal Court Management Statistics–Profiles, U.S. District Courts–Combined Civil and Criminal (December 2024)
1124	Nutanix, <i>4 Defining Characteristics of Hyperconvergence in the Enterprise</i> (Nov. 7, 2019), available at https://www.nutanix.com/theforecastbynutanix/technology/4-defining-characteristics-of-hyperconvergence-in-the-enterprise (last accessed Jul. 17, 2025)
1125	U.S. Patent No. 11,010,336
1126	Bala Kuchibhotla Employment Agreement
1127	RESERVED
1128	Bakul Banthia Employment Agreement
1129	U.S. Patent No. 12,174,856
1130	Complaint, <i>Nutanix, Inc. v. Tessell, Inc.</i> , Case No. 3:24-cv-01729 (N.D. Cal. Mar. 20, 2024)

I. INTRODUCTION

With the district court trial stayed, Patent Owner is left unable to muster a compelling argument for discretionary denial under “existing Board precedent (including *Fintiv*, *General Plastic*, and *Advanced Bionics*)” (March 26, 2025 Interim Process for PTAB Workload Management (“Workload Memo”) at 2). Instead, Patent Owner purports to advance arguments based on alleged “unfair dealing” and “settled expectations.” Request for Discretionary Denial (“Req.,” Paper 6) at 2, 10. The Director should deny Patent Owner’s request for several reasons.

First, Patent Owner’s “unfair dealing” argument is nothing more than an assignor estoppel argument. The Federal Circuit has unequivocally held that assignor estoppel does not apply to IPR proceedings. *Hologic, Inc. v. Minerva Surgical, Inc.*, 957 F.3d 1256, 1266-1267 (Fed. Cir. 2020); *Arista Networks, Inc. v. Cisco Sys., Inc.*, 908 F.3d 792, 804 (Fed. Cir. 2018). Patent Owner argues that the Director may use her discretion to ignore controlling precedent by invoking §314(a). Not so. Discretionary authority cannot be invoked to act contrary to binding law.

Second, there is no basis to conclude that Petitioner engaged in unfair dealings or that assignor estoppel would apply, even if that doctrine were allowed in IPR. Patent Owner claims that the ’157 patent “changed the game” by providing

an “innovative GUI to provision and manage a database.” Req. at 11. However, graphical user interfaces for provisioning and managing databases were well-known in the art, as demonstrated by the prior art and Grounds in the Petition. Rather, the ’157 patent is directed to user interfaces for databases in a specific computing environment—a hyperconverged virtual computing system. Figure 1 of the patent, for instance, illustrates the virtual computing system as a hyperconverged infrastructure. *Compare* EX1001, 2:18-22, Fig. 1 *with* EX1129 (Nutanix Patent No. 12,174,856) at Fig. 1 (including the same figure), 2:17-20 (“FIG. 1 is an example block diagram of a cluster in a hyperconverged virtual computing system...”).¹ Moreover, figures of the allegedly innovative GUI (*e.g.*, EX1001, Figs. 4, 5A-5E, 7A-7F) show Patent Owner’s Era product, which, according to Patent Owner, provisions and manages databases in a “hyperconverged architecture.” EX1130 (Nutanix Complaint), ¶17. Yet Patent Owner is now attempting to assert the ’157 patent against Petitioner’s product offering which does *not* use a hyperconverged system. This is not the scope of the invention that the inventors certified. If any unfair dealing exists, it is Patent Owner’s decision to anti-competitively and improperly interpret the claim scope to

¹ See also EX1124, p. 2 (Nutanix website showing substantially the same figure under the heading “What is Hyperconvergence?”).

cover Petitioner’s different, non-hyperconverged product that uses a fundamentally different cloud-native infrastructure. Petitioner should be permitted to challenge this new litigation-driven interpretation and show how the overreach dooms the patent as invalid.

Patent Owner’s reliance on the Director’s decision denying institution in IPR2025-00322 is also misplaced. That IPR involved U.S. Patent No. 11,010,336 (“the ’336 patent”) (EX1125). The ’336 patent is directed to a “[s]ystem and method for provisioning databases in a hyperconverged infrastructure system.” EX1125, Title. Figure 1 of the ’336 patent shows the same hyperconverged virtual computing system that is shown in Figure 1 of the ’157 patent. But whereas *every* claim of the ’336 patent appropriately recites limitations directed to “a hyperconverged infrastructure system,” the ’157 patent is devoid of this claim language. The inventors did not certify a patent untethered from a hyperconverged infrastructure. Rather, the inventors understood the ’336 patent to provide methods for provisioning databases *in a hyperconverged infrastructure*, and the ’157 patent to provide user interfaces for provisioning and managing those specific databases. Patent Owner’s infringement allegations upend that understanding by reading the claims more broadly to encompass databases that are *not* in a hyperconverged system. Discretionary denial is not justified, because it would be unfair to permit Patent Owner to assert a scope broader than what the inventors certified, while

preventing the inventors from advancing a timely challenge to that broadened scope.

Third, the lack of any “settled expectations” (Req. at 10) favors institution. The ’157 patent issued on October 27, 2020. This IPR thus constitutes an early challenge to the ’157 patent, which the Director has repeatedly held “weigh[s] against discretionary denial.” *Zhuhai CosMx Battery Co. Ltd., v. Nindge Amperex Technology Limited*, IPR2025-00385, Paper 9 at 2 (Jul. 2, 2025) (issuance of patents “in 2024, 2023, and 2021” “counsel[s] against discretionary denial” because “the challenged patents have not been in force for a significant period of time”); *Resmed Corp. v. Cleveland Medical Devices, Inc.*, IPR2025-00246, Paper 10 at 2 (Jun. 12, 2025) (“Early challenges favor robust, predictable patent rights and weigh against discretionary denial.”); *Tesla, Inc. v. Charge Fusion Techs., LLC*, IPR2025-00152, Paper 11 at 3 (Jun. 12, 2025) (similar); *Cambridge Industries v. Applied Optoelectronics, Inc.*, IPR2025-00433, Paper 12 at 2 (where “challenged patents have not been in force for a significant period of time (issued in 2020, 2019, and 2019)... Patent Owner has not developed strong settled expectations that favor discretionary denial” for those patents).

II. BACKGROUND

On December 20, 2018, Nutanix filed the application that became the ’157 patent, naming three inventors: Balasubrahmanyam Kuchibhotla (“Kuchibhotla”),

Bakul Banthia (“Banthia”), and Paul James Tangen. Pursuant to their employment agreements (EX1126, EX1128), inventors Kuchibhotla and Banthia assigned the application to Nutanix. The inventors were not directly compensated (beyond their salary or bonus structure) for the assignment of any invention that may become a Nutanix-owned patent. And their participation in the prosecution process was passive at best (*e.g.*, signing the assignment and oaths as required by their employment agreement).

The ’157 patent discloses a user interface for provisioning and managing database in a hyperconverged virtual computing system. For instance, the specification explains that “[t]he present disclosure is generally directed to a virtual computing system.” EX1001, 3:10-16. Figure 1 of the patent illustrates that virtual computing system as a hyperconverged infrastructure. *Compare* EX1001, 2:18-22, Fig. 1 *with* EX1129 at Fig. 1 (including the same figure), 2:17-20 (“FIG. 1 is an example block diagram of a cluster in a hyperconverged virtual computing system...”). Moreover, the user interface is shown as a user interface for Patent Owner’s Era product (*e.g.*, EX1001, Figs. 4A-4G, 5A-5E, 7A-7F), which, according to Patent Owner, provisions and manages databases in a “hyperconverged architecture.” EX1130, ¶17. The inventors of the ’157 patent thus understood the ’157 patent to provide user interfaces for provisioning and

managing databases not generally but rather in a specific computing environment—a hyperconverged infrastructure.

In 2021, Kuchibhotla and Banthia left Nutanix to work on a new innovative, cloud-native database management architecture at Petitioner, Tessell. Tessell's offerings do ***not*** rely on a hyperconverged infrastructure. Kuchibhotla and Banthia came to realize that a hyperconverged infrastructure had drawbacks relating to hardware compatibility, configuration difficulties, scalability, resource utilization, and vendor lock-in, to name a few. Through hard work and innovation, and working from first principles, they developed a different offering that dramatically simplifies and reduces the cost of creating, managing, and modernizing databases in the public 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.

In March of 2024, in an attempt to derail Tessell's success which Nutanix had been closely monitoring, Nutanix asserted the '157 patent against Tessell. Nutanix wrongly asserts that Tessell's cloud-native database service, which does not use a hyperconverged infrastructure, falls within the scope of the claims.

III. ARGUMENT

A. Patent Owner's Argument Is Contrary to Federal Circuit Authority

The Federal Circuit has made very clear that assignor estoppel cannot be applied to prevent an IPR. *Arista Networks, Inc. v. Cisco Sys., Inc.*, 908 F.3d 792, 804 (Fed. Cir. 2018). Patent Owner itself concedes that “[t]he Board and the Federal Circuit have previously held that assignor estoppel does not apply in IPRs based on the language of 35 U.S.C. § 311(a),” but argues that the Director may ignore these decisions by “exercis[ing] her discretion under § 314(a).” Req. at 2-3 n.1. Not so. This is a “difference without distinction.” *Tessell, Inc. v. Nutanix, Inc.*, IPR2025-00298, Paper 11 at 22 (Jun. 2, 2025).² What Patent Owner alleges

² Patent Owner's citation to *Minerva Surgical, Inc. v. Hologic, Inc.*, 594 U.S. 559, 574-575 (2021) (Req. at 3) is inapposite. In *Minerva*, the Supreme Court did not disturb the Federal Circuit's decision that the doctrine of assignor estoppel does not bar an assignor from filing a petition for IPR. *See Hologic, Inc. v. Minerva Surgical, Inc.*, 957 F.3d 1256, 1266 (Fed. Cir. 2020) (“This court has held that the doctrine of assignor estoppel does not bar an assignor from filing a petition for IPR.”). Moreover, *Minerva* involved a situation where “a person sells his patent rights... to the buyer.” *Minerva*, 594 U.S. at 575. Here, the inventors of the '157 patent did not assign their patent right to Patent Owner for value. The inventors

occurred here as a basis for this new “unfair dealing” category of discretionary denial is indistinguishable from the typical factual allegations under which the assignor estoppel “doctrine often arises”: “where an employee invents something during his or her tenure with a company, assigns the rights to that invention to his or her employer, then leaves the company to join or found a competing company.” *Arista*, 908 F.3d at 801.

B. No “Unfair Dealing” Exists

Patent Owner’s unfair dealing argument also lacks merit. Patent Owner bases its argument on a faulty premise: that Petitioner’s challenge contravenes the “representations and warranties” made by the inventors in their assignment agreements and that the inventors are allegedly attempting to “profit from their invention a second time to compete with Nutanix.” Req. at 4. Not so.

were ***not*** directly compensated for the assignment and have not used the ’157 patent at Tessell. Thus, the facts of *Minerva* are inapplicable. In fact, *Minerva* supports Petitioner by confirming that assignor estoppel does not apply here. *See Minerva*, 594 U.S. at 561 (“[T]here is no ground for applying assignor estoppel... in certain employment arrangements, when an employee assigns to his employer patent rights in any future inventions he may develop during his employment.”).

The inventors of the '157 patent disclosed an invention for a user interface in a hyperconverged virtual computing system. The '157 patent states that its “present disclosure is generally directed to a virtual computing system having a plurality of clusters” (EX1001, 3:10-16) and then illustrates the virtual computing system as a hyperconverged infrastructure. *Compare* EX1001, 2:18-22, Fig. 1 with EX1129 at Fig. 1 (including the same figure), 2:17-20 (“FIG. 1 is an example block diagram of a cluster in a hyperconverged virtual computing system...”).³ Similarly, the '157 patent illustrates the user interface of the invention (*e.g.*, EX1001, Figs. 4A-4G, 5A-5E, 7A-7F) as that of Patent Owner’s Era product, which, according to Patent Owner, provisions and manages databases in a “hyperconverged architecture.” EX1130, ¶17.

Now, however, Patent Owner has brought litigation against Petitioner that upends that understanding by reading the claims to cover databases that are *not* in a hyperconverged system. Indeed, Patent Owner’s brief omits all mention of a hyperconverged virtual computing system in its characterization of the '157 patent, referring to the invention as an “innovative GUI to provision and manage a database.” Req. at 11. But graphical user interfaces for provisioning and

³ See also EX1124, p. 2 (Nutanix website showing substantially the same figure under the heading “What is Hyperconvergence?”).

managing databases were well-known by the time of the '157 patent, as demonstrated by the prior art and Grounds in the Petition. That is not the scope of the invention the inventors certified, nor could it be as it was not what they invented. Under Patent Owner's interpretation of the claims to eliminate the hyperconverged concept, the claim scope has been fundamentally altered such that it now more broadly encompasses the prior art, rendering the claims invalid. It would be unfair to Petitioner to allow Patent Owner to distort the claims far beyond the original disclosure and at the same time preclude Petitioner from challenging their invalidity to defend itself.

Moreover, as the Supreme Court explained, assignor estoppel "comes with limits," and it would not be "fair" to apply it to the situation where, as here, an inventor as part of their employment agreement signs an invention assignment that pertains to future inventions developed during their employment. *See Minerva*, 594 U.S. at 561 ("[T]here is no ground for applying assignor estoppel... in certain employment arrangements, when an employee assigns to his employer patent rights in any future inventions he may develop during his employment."); *see also Brilliant Instruments, Inc. v. GuideTech, Inc.*, 2014 WL 576244, *3 (N.D. Cal. Feb. 12, 2014) ("there are a number of exceptions where the equities would weigh against assignor estoppel ... in an increasingly common circumstance in the modern workplace, the inventor may be an employee who participated

perfunctorily in the claims prosecution process, with very little say in drafting the scope of the claims, and the resulting patent may cover a far broader invention than the inventor intended to convey”). Here, the inventors were not directly compensated (beyond their salary or bonus structure) for the assignment of any invention that may become a Nutanix-owned patent. And their participation in the prosecution process was passive at best (*e.g.*, signing the assignment and oaths as required by their employment agreement). In other words, the inventors who departed Nutanix did not participate in the prosecution of the claims or certify an invention that is disconnected from hyperconverged infrastructures.

C. The Lack of Settled Expectation Counsels Against Discretionary Denial

The ’157 patent issued on October 27, 2020. The Director has held that challenges to patents that issued around this same time constitute early challenges that “weigh against discretionary denial.” *Zhuhai*, IPR2025-00385, Paper 9 at 2 (issuance of patents “in 2024, 2023, and 2021” “counsel[s] against discretionary denial” because “the challenged patents have not been in force for a significant period of time”); *Resmed*, IPR2025-00246, Paper 10 at 2 (“Early challenges favor robust, predictable patent rights and weigh against discretionary denial.”); *Tesla*, IPR2025-00152, Paper 11 at 3; *Cambridge Industries*, IPR2025-00433, Paper 11 at 2. Thus, Petitioner’s early challenge counsels against discretionary denial.

D. The Director Should Reject Patent Owner's Argument for Discretionary Denial Under 35 U.S.C. §325(d)

The Petition presented two Grounds: Ground 1 presents a combination of Sivasubramanian, Zha, and Shekar against all challenged claims; Ground 2 presents a combination of the same three references plus RDS, again against all challenged claims. Petition (Paper 2) at 6. Patent Owner's argument for denial under §325(d) is based on the fact that Zha's published application and a descendant of Sivasubramanian were cited by the examiner in a Notice of References Cited. Req. at 5, 8; EX1002, 288-289. However, Patent Owner does not address Shekar or RDS at all. Req. at 5-10. As explained *infra* §III.D.1, *Advanced Bionics* Step 1 is not satisfied because neither Shekar nor RDS was of record during prosecution, which precludes denial under Section 325(d). Furthermore, as explained *infra* §III.D.2, even if the Director proceeds to *Advanced Bionics* Step 2, Step 2 also is not satisfied because the Examiner erroneously failed to substantively consider Sivasubramanian and Zha and failed to combine Sivasubramanian and Zha together with each other and any other reference, and because additional evidence is presented in the Petition.

1. *Advanced Bionics* Step 1

Both of the Petition's grounds rely on Shekar, and Ground 2 further relies on RDS. Petition at 6. Thus, even if Zha's and Sivasubramanian's teachings had been substantively considered during prosecution, proceeding to step *Advanced*

Bionics Step 2 is unnecessary, and denial under Section 325(d) is unwarranted. *See, e.g., Samsung Elecs. Co., Ltd. v. DoDots Licensing Soln's. LLC*, IPR2023-00756, Paper 9, 21-22 (Oct. 11, 2023) (no need to reach *Advanced Bionics* part two where not all references in proposed combination were of record); *Thorne Research v. Trs. of Dartmouth Coll.*, IPR2021-00491, Paper 18, 8-9 (Aug. 12, 2021) (similar). Despite the Petition clearly relying on Shekar in both Grounds' combinations and additionally on RDS in the Ground 2 combination (*see, e.g.,* Petition at 6), Patent Owner chose to ignore both Shekar and RDS in its discretionary-denial brief. Patent Owner has thus waived any argument that *Advanced Bionics* Step 1 is somehow satisfied despite Shekar and RDS not being of record. *See, e.g.,* FAQs for Interim Processes for PTAB Workload Management, FAQ #20 (instructing patent owners "to address any fact or circumstance they believe bears on whether the Office should or should not institute trial" in their brief requesting discretionary denial), *available at* <https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management> (last accessed July 17, 2025).⁴

⁴ Patent Owner should not be permitted to file a Reply to remedy its waiver, as there is no reason why Patent Owner could not have addressed Shekar or RDS in its discretionary-denial brief.

To the extent the Director nevertheless considers Step 1, the *Becton, Dickinson* (“BD”) factors applicable at Step 1 are not satisfied. Neither Shekar nor RDS was of record during prosecution; thus, BD Factor (a) weighs against denial. Moreover, as Patent Owner does not dispute (because Patent Owner did not address Shekar or RDS at all), neither Shekar nor RDS is cumulative of the art that was considered during prosecution. For example, RDS discloses a user interface that is different from any user interface in the references cited by the Examiner. Petition at 83-85 (citing RDS, 13-15). And Shekar discloses a “[h]yperconverged infrastructure” (“HCI”), which is not disclosed in the references cited by the Examiner. *See, e.g.*, Petition at 27-28, 39-44 (citing, *e.g.*, Shekar, Title, [0014], [0032], Fig. 1). Thus, Factor (c) does not favor denial. Additionally, under Factor (d), the examiner did not consider the **combination** of Zha and Sivasubramanian with Shekar, or further with RDS.

2. *Advanced Bionics* Step 2

Even if the Director were to reach Step 2 of the *Advanced Bionics* framework based only on Zha’s published application and a descendant of Sivasubramanian being of record, “specific teachings of [both references] impact[ing] patentability of the challenged claims” were “misapprehend[ed] or overlook[ed].” *Cellco P’ship v. Huawei Device Co.*, IPR2020-01117, Paper 10 at 12 (Feb. 3, 2021) (citing *Advanced Bionics, LLC v. MED-EL Elektromedizinische*

Geräte GmbH, IPR2019-01469, Paper 6 at 8 n.9, 21 (Feb. 12, 2020)

(precedential)). That neither reference formed a “basis of rejection weighs strongly against exercising [the Board’s] discretion to deny... under 35 U.S.C. § 325(d).” *Id.* at 13. Furthermore, the three *BD* Factors applicable to Part Two (Factors, (c), (e), and (f)—see *Advanced Bionics*, IPR2019-01469, Paper 6 at 10) weigh against denial.

Factor (c) weighs against denial because the examiner did not use any reference from the Grounds in a rejection. *Group III v. Targus*, IPR2021-00371, Paper 21 at 33 (July 9, 2021); 89 Fed. Reg. 28693, 28705 (325(d) discretionary denial only applies if prior art was “meaningfully addressed”). See also *Ecto World, LLC v. RAI Strategic Holdings, Inc.*, IPR2024-01280, Paper 13 at 5 (Stewart May 19, 2025) (Director Review) (precedential as to §A) (noting that “a petitioner may argue that it satisfies the second part of *Advanced Bionics* because the asserted prior art was not a basis for rejection during examination, is not substantially the same as prior art the Examiner applied, and includes specific teachings that impact patentability of the challenged claims”) (internal quotation marks omitted).

Patent Owner argues that the Examiner “substantively considered the teachings of Sivasubramanian and Zha” because Sivasubramanian’s descendant and Zha’s published application were both listed on a Notice of References Cited

when the examiner allowed the claims. Req. at 8. But merely listing a reference on a Notice of References Cited (form PTO-892) does not show that the reference was substantively evaluated for the purpose of Factor (c). *See, e.g., Quasar Science LLC v. Colt Int’l Clothing, Inc.*, IPR2023-00611, Paper 10 at 13-14 (Oct. 10, 2023) (finding Factor (c) does not favor denial, and declining to deny institution, where a reference “only appears on a Notice of References Cited... and does not appear to have been substantively discussed by the Examiner,” and where there was no “specific discussion or application of the previously presented references by the Examiner during prosecution”); *K/S HIMPP v. BRAGI GmbH*, IPR2023-01204, Paper 8 at 15 (Mar. 19, 2024) (finding Factor (c) does not favor denial where “although [a reference] was cited by the Examiner on a form PTO-892, [the reference] was not applied as a prior art reference in any rejection”).

Factor (e) weighs against denial because allowance of the challenged claims over Zha’s published application and the descendant of Sivasubramanian was error material to patentability. The error is confirmed by the fact that the merits panel in IPR2025-00298 challenging U.S. Patent No. 11,860,818, whose claims are similar to those of the ’157 patent, instituted IPR on Grounds that include Sivasubramanian and Zha. *See* IPR2025-00298, Paper 11 (Jun. 2, 2025). Patent Owner’s assertion that Petitioner “simply disagrees with the Examiner’s consideration of Sivasubramanian and Zha” (Req. at 8-9) is incorrect for multiple

reasons. First, as noted *supra* §III.D.1, the Petition’s Grounds combine Sivasubramanian and Zha with Shekar and RDS. Moreover, there was no “consideration” by the Examiner of Sivasubramanian and Zha (much less of Sivasubramanian and Zha with Shekar, or further with RDS) for Petitioner to “disagree[] with.” Req. at 8-9. In allowing the claims, the Examiner merely said that “the prior art fails to disclose or suggest the combination of limitations recited in” the independent claims. EX1002, 286. But Examiner never substantively discussed Sivasubramanian or Zha’s teachings. Nor did the Examiner ever consider the **combination** of Sivasubramanian and Zha in further view of Shekar, RDS, and a POSA’s background knowledge, which renders the “combination of limitations recited in” the claims (EX1002, 286) obvious as the Petition demonstrates. As just one example of something the Examiner erroneously failed to consider, the Petition cites Sivasubramanian’s statements regarding the customizability of its user interface, and then demonstrates why a POSA would have been motivated to customize Sivasubramanian’s UI to accept parameters taught by Zha. Petition at 24-25, 29-38.

Factor (f) weighs against denial because the prosecution record did not include Shekar or RDS, nor did it include the expert testimony and evidence of a POSA’s background knowledge presented in the Petition as part of demonstrating why the claims are obvious. Patent Owner’s argument that “raising the same art

and adding an accompanying expert declaration” would render Section 325(d) “superfluous” (Req. at 9-10) is a red herring that ignores the record in this case. The Petition does not just “rais[e] the same art”; it also raises Shekar and RDS. Moreover, the expert declaration this case does not merely reinforce the same analysis conducted by the Examiner. Rather, Dr. Bhattacharjee’s declaration extensively discusses Sivasubramanian and Zha, whose teachings were never discussed by the examiner, as well as Shekar and RDS, which were not of record in prosecution. *See e.g.*, EX1003, ¶¶63-172, 286-290. Dr. Bhattacharjee’s declaration also provides detailed analysis, supported by dozens of references corroborating a POSA’s background knowledge, showing why the combination of the various claim elements would have been obvious to a POSA over Sivasubramanian, Zha, Shekar, RDS, and a POSA’s background knowledge. *See, e.g.*, EX1003, ¶¶173-285, 291-295. In any event, Factor (f) “considers the extent to which additional *evidence and facts* warrant reconsideration of the prior art or arguments,” and Patent Owner points to no authority excluding expert testimony from the relevant “evidence and facts.” *Ecto World*, IPR2024-01280, Paper 13 at 6.

Furthermore, Patent Owner’s argument that “[a]bsence of expert testimony... cannot demonstrate examiner error” (Req. at 10) is contrary to the law of obviousness. The Federal Circuit has expressly endorsed such reliance on

expert testimony corroborated by evidence to show obviousness. *See, e.g., Koninklijke Philips N.V. v. Google LLC*, 948 F.3d 1330, 1338 (Fed. Cir. 2020) (affirming obviousness over named prior-art reference in view of POSAs’ background knowledge as evidenced by corroborating reference). Indeed, in IPR2025-00298 addressing a patent with similar claims to the ’157 patent, the merits panel cited *Philips* in rejecting Patent Owner’s argument that it was impermissible for Petitioner to rely on background knowledge corroborated by expert testimony to show obviousness of receiving a service level agreement (“SLA”) selection through a graphical user interface. *See* IPR2025-00298, Paper 11 at 15.

IV. CONCLUSION

For these reasons, the Director should not exercise her discretion to deny institution and should submit this Petition to the panel for review of its merits.

Respectfully submitted,

Date: July 17, 2025

/Anant K. Saraswat/

Anant K. Saraswat, Reg. No. 76,050
WOLF, GREENFIELD & SACKS, P.C

CERTIFICATE OF WORD COUNT

Pursuant to 37 C.F.R. § 42.24, the undersigned certifies that the foregoing **PETITIONER'S OPPOSITION TO PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL** contains 4,064 words excluding; a table of contents, a table of authorities, a certificate of service or word count, or appendix of exhibits or claim listing. Petitioner has relied on the word count feature of the word processing system used to create this paper in making this certification.

Date: July 17, 2025

/MacAulay Rush/
MacAulay Rush
Paralegal
WOLF, GREENFIELD & SACKS, P.C.

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

I certify that on July 17, 2025, a copy of the foregoing document, including any exhibits filed therewith, is being served via electronic mail, as previously consented to by Patent Owner, upon the following:

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