

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TESSELL, INC.,
Petitioner,

v.

NUTANIX, INC.,
Patent Owner.

Case No. IPR2025-00733
Patent No. 11,640,340

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

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OTHER AUTHORITIES

Interim Process for PTAB Workload Management (Mar. 26, 2025)	1
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LISTING OF EXHIBITS

Exhibit	Description
1001	U.S. Patent No. 11,640,340
1002	Prosecution History of U.S. Patent No. 11,640,340
1003	Declaration of Dr. Samrat Bhattacharjee (“Bhattacharjee”)
1004	Curriculum Vitae of Dr. Bhattacharjee
1005	U.S. Patent No. 9,934,107 (“Chikkanayakanahally”)
1006	U.S. Patent No. 8,150,808 (“Zha”)
1007	U.S. Patent No. 10,235,250 (“Ambastha”)
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. 11,609,828 (“Khandkar”)
1011	U.S. Patent No. 11,169,887 (“Bajaj”)
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 No. 8,918,673 (“Rangaiah”)
1017	U.S. Patent App. Pub. No. 2016/0077925 (“Tekade”)
1018	U.S. Patent No. 12,093,715 (“Zhao”)
1019	U.S. Provisional Patent App. No. 63/073,513
1020	U.S. Patent App. Pub. No. 2011/0099420 (“McAlister”)
1021	U.S. Patent No. 9,405,634 (“Ambastha-634”)
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. 2020/0314173 (“Pahwa”)

Exhibit	Description
1024-1027	RESERVED
1028	U.S. Patent App. Pub. No. 2016/0057077 (“Gomatam”)
1029	U.S. Patent No. 11,036,696 (“Higginson”)
1030-1031	RESERVED
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”)
1034-1057	RESERVED
1058	Affidavit of Nathaniel E. Frank-White
1059	RESERVED
1060	U.S. Patent No. 11,120,011 (“Priebe”)
1061-1105	RESERVED
1106	U.S. Patent No. 8,572,031 (“Merriman”)
1107	<i>7 more ways to Query Always on Availability Groups</i> , as archived by the Internet Archive on March 30, 2019, available at https://web.archive.org/web/20190330182441/https://sqlundercover.com/2019/02/19/7-more-ways-to-query-always-on-availability-groups/
1108	<i>SQL Server AlwaysOn Availability Group Backup Preference Setting</i> , as archived by the Internet Archive on September 25, 2020, available at https://www.mssqltips.com/sqlservertip/4976/sql-server-alwayson-availability-group-backup-preference-setting/
1109	<i>Use the Availability Group Wizard (SQL Server Management Studio)</i> , as archived by the Internet Archive on January 20, 2020, available at https://web.archive.org/web/20200120100053/https://docs.microsoft.com/en-us/sql/database-engine/availability-groups/windows/use-the-availability-group-wizard-sql-server-management-studio?view=sql-server-ver15
1110	U.S. Patent No. 8,713,060 (“Sivasubramanian”)
1111	RESERVED
1112	Excerpts of <i>The Merriam-Webster Dictionary</i> (2019)
1113	U.S. Patent No. 9,311,330 (“Chockalingam”)

Exhibit	Description
1114	“ <i>Nutanix Era: Databases Made Simple</i> ,” as archived by the Internet Archive on September 26, 2020, available at http://web.archive.org/web/20200926222827/https://www.nutanix.com/blog/nutanix-era-databases-made-simple
1115	RESERVED
1116	U.S. Patent No. 7,046,134 (“Hansen”)
1117	U.S. Patent No. 8,656,303 (“Hughes”)
1118	U.S. Patent No. 6,766,477 (“Grucci”)
1119	U.S. Patent No. 9,116,862 (“Rath”)
1120	U.S. Patent No. 8,843,441 (“Rath-441”)
1121	“ <i>Windows Geo-Clustering: SQL Server</i> ,” published October 12, 2014
1122	Order Granting Defendant’s Motion to Compel Arbitration (staying the remaining claims) in <i>Nutanix, Inc. v. Tessell, Inc.</i> , Case No. 3:24-cv-01729 (N.D. Cal. Mar. 20, 2024)
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	Kamaldeep Singh Khanuja Employment Agreement
1128	RESERVED
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, 5. 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. As reflected in the title of the ’340 patent—as well as the specification and

figures—the problem and solution that the inventors developed was directed to “databases *in a hyperconverged system*.” EX1001, Title, 3:10-13, Fig. 1. That is the type of system offered by Patent Owner Nutanix, now and when the ’340 patent’s specification was filed. Yet Patent Owner is now attempting to assert the ’340 patent against Petitioner’s product offering which does *not* use a hyperconverged system. If any unfair dealing exists, it is Patent Owner’s decision to anti-competitively and improperly interpret the claim scope to 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 a different patent, U.S. Patent No. 11,010,336 (“the ’336 patent”) (EX1125). Like the ’340 patent at issue here, the ’336 patent is directed to a “hyperconverged infrastructure system,” as stated in the ’336 patent’s title and claims. EX1125, Title, 40:5-6, 41:11-12, 42:7-8. But whereas *every* claim of the ’336 patent appropriately recites limitations directed to “a hyperconverged infrastructure system,” the ’340 patent is devoid of this claim language. The inventors did not certify a patent untethered from a hyperconverged infrastructure. Rather, as the title, specification, and figures

indicate, the inventors disclosed techniques for “backing up highly available source databases **in a hyperconverged system.**” *See also* EX1001, pg. 1 (title); *see also id.*, 3:10-13 (“The present disclosure is generally **directed to a hyperconverged** virtual computing system having a plurality of clusters.”) (emphasis added), Fig. 1 (illustrating hyperconverged infrastructure). Absent the hyperconverged infrastructure, the claims do not recite a novel and non-obvious concept.

Third, the lack of any “settled expectations” (Req. at 5) favors institution. The ’340 patent issued two years after the inventors left Nutanix, on May 2, 2023. This IPR thus constitutes an early challenge to the ’340 patent, which the Director has repeatedly held “weigh[s] against discretionary denial.” *Resmed Corp. v. Cleveland Medical Devices, Inc.*, IPR2025-00246, Paper 10 at 2 (Jun. 12, 2025) (“The challenged patents were issued recently, in 2024. Early challenges favor robust, predictable patent rights and weigh against discretionary denial.”); *Tesla, Inc. v. Charge Fusion Tech., LLC*, IPR2025-00152, Paper 11 at 3 (Jun. 12, 2025) (“patents issued recently, in 2023 and 2024”); *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”); *see also Cambridge Industries v. Applied Optoelectronics, Inc.*, IPR2025-00433, Paper 12 at 2 (Jun. 27, 2025) (similar).

II. BACKGROUND

In February 2021, Nutanix filed the application that became the '340 patent, naming three inventors: Balasubrahmanyam Kuchibhotla ("Kuchibhotla"), Kamaldeep Khanuja ("Khanuja"), and Sagar Sontakke ("Sontakke"). Pursuant to their employment agreements (EX1127), inventors Kuchibhotla and Khanuja 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 problem and solution described in the '340 patent involves databases in a hyperconverged infrastructure. This fact is reflected in the title of the patent: "system and method for backing up highly available source databases in a ***hyperconverged system***." EX1001, title. It is reflected in the specification's description of the "present disclosure": "The present disclosure is generally directed to a ***hyperconverged*** virtual computing system having a plurality of clusters." EX1001, 3:10-13 (emphasis added). It is reflected in the figures of the '340 patent, which show a hyperconverged infrastructure. *Compare* EX1001, 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...”); *see also* EX1124, p. 2 (Nutanix webpage showing substantially the same figure under the heading “What is Hyperconvergence?”). And it is reflected in Nutanix’s commercial product, Nutanix Era, which, according to Nutanix, “is built on a sophisticated, hyperconverged architecture.” EX1130 (Nutanix’s Complaint in district court), ¶17.

After the ’340 patent’s application was filed but years before it issued as a patent, Kuchibhotla and Khanuja left Nutanix to work on a new innovative, cloud-native database management architecture at Petitioner, Tessell. They were later joined by Sontakke.

Tessell’s offerings do ***not*** rely on a hyperconverged infrastructure. Kuchibhotla and Khanuja 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.

After Tessell launched its first product offering, the '340 patent issued on May 2, 2023. In an attempt to derail Tessell's success which Nutanix had been closely monitoring, Nutanix asserted the '340 patent against Tessell less than a year later, in March 2024. 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).¹ What Patent Owner alleges

¹ 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

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.

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 ’340 patent did not assign their patent right to Patent Owner for value. The inventors were *not* directly compensated for the assignment and have not used the ’340 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.”).

B. No “Unfair Dealings” Exist

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.

The inventors of the ’340 patent disclosed an invention for “backing up highly available source databases *in a hyperconverged system*.” EX1001, Title, 3:10-13, Fig. 1. Absent the hyperconverged infrastructure, the claims do not recite a novel and non-obvious concept. In fact, at the time the ’340 patent was filed the inventors were already aware of prior art disclosing highly available source databases (such as AlwaysOn technology), and submitted references about them in the original IDS. EX1002, 23 (*e.g.*, citing prior art entitled, *e.g.*, “Always On availability groups: a high-availability and disaster-recovery solution” and “What is an Always On availability group?”). The hyperconverged infrastructure was a critical aspect of what the inventors understood the ’340 patent to disclose. This is reflected in the title of the patent which refers to a “hyperconverged” system. It is reflected in the figures (*e.g.*, Fig. 1) which illustrate a hyperconverged system. And it is reflected in the specification which states that the “present disclosure is directed to a hyperconverged virtual computing system having a plurality of

clusters, with each of the plurality of clusters having a plurality of nodes.”

EX1001, 3:10-13. The original claims similarly recited that the system was directed to a plurality of “cluster[s]” that have a “plurality of nodes,” which the inventors understood to be reciting the hyperconverged system described in the disclosure of the ’340 patent. EX1002, 32-38.

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. By interpreting the claims to eliminate the hyperconverged concept, Patent Owner has attempted to broaden the claim scope in a manner that encompasses the prior art. For example, the Petition relies upon a single ground based on U.S. Patent No. 9,934,107 (“Chikkanayakanahally”) (EX1005) which, like other prior art, teaches a database with replicated copies as a “highly available” database. Petition (“Pet.,” Paper 2) at 3. 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 two years before the ’340 patent issued 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 Director has repeatedly explained that “[e]arly challenges favor robust, predictable patent rights and weight against discretionary denial.” *Resmed*,

IPR2025-00246, Paper 10 at 2; *Tesla*, IPR2025-00152, Paper 11 at 3. For instance, *ResMed* involved a patent that issued in 2024. *Resmed*, IPR2025-00246, Paper 10 at 2. The Director found that the parties had invested resources in the district court proceedings, but nevertheless concluded “that consideration is outweighed by the early challenges to the patents at issue.” *Id.* Similarly, in *Tesla* the Director found that the issuance of patents in 2023 and 2024 weighed against discretionary denial. *Tesla*, IPR2025-00152, Paper 11 at 3. Other decisions from the Director conclude that settled expectations do not exist for patents that issued as far back as 2021 or 2019. *Zhuhai*, IPR2025-00385, Paper 9 at 2; *Cambridge*, IPR2025-00433, Paper 12 at 2. Here, the ’340 patent issued on May 2, 2023 and Petitioner’s early challenge counsels against discretionary denial

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 2,375 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:

Joshua L. Goldberg
Erika H. Arner
Alexander M. Boyer
Christina Ji-Hye Yang
Joseph M. Myles

joshua.goldberg@finnegan.com
erika.arner@finnegan.com
alexander.boyer@finnegan.com
christina.yang@finnegan.com
joseph.myles@finnegan.com
Nutanix-PTAB@finnegan.com

Date: July 17, 2025

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