

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

INTEL CORPORATION,
Petitioner

v.

ADVANCED CLUSTER SYSTEMS, INC.,
Patent Owner

IPR2025-00794
Patent No. 10,333,768

**PATENT OWNER'S REPLY IN SUPPORT OF REQUEST FOR
DISCRETIONARY DENIAL¹**

¹ Authorized on July 22, 2025. Ex. 3101.

PATENT OWNER'S EXHIBIT LIST

<u>Exhibit</u>	<u>Description</u>
2001	DocketNavigator Statistics for Motion Success for Stay Pending IPR (Post-Institution) for Judge Albright
2002	J. Albright Standing Order Governing Proceedings (OGP) 4.4 – Patent Cases (Jan 23, 2024)
2003	DocketNavigator Statistics for Time-to-Milestones for Judge Albright
2004	<i>Advanced Cluster Systems, Inc. v. Intel Corporation</i> , Amended Scheduling Order (D.I. 54)
2005	<i>Allani v. Apple Inc.</i> , No. 6:24-cv-304-ADA (W.D. Tex. May 6, 2025) (D.I. 30)
2006	<i>Intellectual Ventures I LLC v. TCL Elects. Holdings Ltd.</i> , No. 6:23-cv-309-ADA (W.D. Tex. Sept. 10, 2024) (D.I. 44)
2007	<i>Acquis, LLC v. Hon Hai Precision Indus Co. Ltd.</i> , No. 6:23-cv-264-ADA (W.D. Tex. May 31, 2024) (D.I. 46)
2008	Intel Corporation's Amended Invalidity Contention Cover Pleading (Apr. 25, 2025)
2009	Intel Corporation's Preliminary Invalidity Contention – Chart A-8
2010	Declaration of Dr. Melissa C. Smith Under 37 C.F.R. § 1.68
2011	<i>Curriculum Vitae</i> of Dr. Melissa C. Smith
2012	FAQ: The Sustainable Data Center – More Energy Efficient AI (available at https://www.intel.com/content/www/us/en/content-details/791405/faq-the-sustainable-data-center-ai-use-case.html?wapkw=sustainability&DocID=791405)

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- 2013 NVIDIA Company Overview (May 2025) (available at <https://investor.nvidia.com/events-and-presentations/presentations/presentation-details/2025/Company-Overview-5-25/default.aspx>)
- 2014 Intel Corporation's Answer and Counterclaims to First Amended Complaint, *Advanced Cluster Systems, Inc. v. Intel Corporation*, 7:24-cv-00245-ADA (W.D. Tex. Feb. 5, 2025) (D.I. 41)

Patent Owner submits this reply brief in support of its request for discretionary denial (Paper 8, “DD Req.”).

I. Petitioner’s “Family Weakness” Argument is Itself Weak and Inapplicable to the ’768 Patent (DD Opp. §II)

Petitioner argues that institution should be ordered because the ’768 Patent descends from a family of patents that were previously challenged in IPRs and found “likely unpatentable.” Paper 10 (“DD Opp.”) at 5–8. This argument misstates the record and misconstrues the legal relevance of prior institution decisions under 35 U.S.C. § 314(a).

First, none of the cited IPRs resulted in a Final Written Decision. Petitioner relies on institution decisions in IPR2020-01608 (’289 Patent), IPR2021-00075 (’612 Patent), and IPR2021-00108 (’877 Patent) but omits that all three proceedings were terminated early by settlement. *See* IPR2020-01608, Paper 17 at 2 (PTAB Jun. 22, 2021) (’289 Patent) (“[T]he Board has not yet decided the merits of the proceeding or entered a final written decision”), IPR2021-00075, Paper 15 at 2 (PTAB Jun. 30, 2021) (’612 Patent) (same), and IPR2021-00108, Paper 15 at 2 (PTAB Jun. 30, 2021) (’877 Patent) (same). Therefore, no tribunal evaluated the full merits, no testimony was taken, and no patent claims were found unpatentable. The mere fact that institution was granted in prior proceedings carries no probative value. Institution decisions are not findings of invalidity; they are threshold procedural determinations that serve a gatekeeping function—not an adjudicative one.

Petitioner ignores the only relevant outcome for the '768 Patent itself. In IPR2021-00019 and IPR2021-00020, the Board denied institution on the very patent now at issue. While those earlier petitions were brought by a different party, the PTAB's denial was substantive and based on its determination that the petition failed to show at least one claim limitation among the many that were identified was taught by the cited prior art. *See* IPR2021-00019, Paper 9 at 2 (PTAB May 5, 2021) (“[W]e deny institution of *inter partes* review because Petitioner fails to establish a reasonable likelihood that at least one of the challenged claims is unpatentable.”), IPR2021-00020, Paper 9, at 2 (PTAB May 5, 2021) (“[W]e deny institution of *inter partes* review because Petitioner fails to establish a reasonable likelihood that at least one of the challenged claims is unpatentable.”).

Petitioner also disregards the most compelling fact: the Board has already considered and rejected the very argument Petitioner makes here. While the Board chose to institute petitions against the '289, '612, and '877 Patents, in contrast, the Board declined to institute two petitions challenging the '768 Patent—IPR2021-00019 and IPR2021-00020. The implication is crystal clear: the Board did not treat the '768 Patent as just another patent in, what Petitioner characterizes is, a “weak family.” Petitioner’s attempt to create a “family weakness” narrative now, in defiance of that record is not only legally unsupported—it is factually backwards.

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Second, the claims of the '768 Patent differ materially from those of the cited family members. Petitioner attempts to collapse all claim sets into vague, high-level themes without analyzing the actual language or structural differences. But the '768 Patent introduces claim limitations that are not recited in the challenged claims of the '289, '612, or '877 Patents. The petitions at issue must be evaluated on their own terms under the applicable frameworks—not based on alleged guilt by association.

Finally, the Board does not presume that continuation or CIP patents are weak or duplicative merely because their predecessors were challenged. Petitioner offers no legal support for the notion that a patent's parentage weighs in favor of institution under § 314(a). Nor is there any PTAB precedent holding that institution is favored simply because institution was once ordered for patents in the same family. If anything, Petitioner's position is inconsistent with the governing statute—each petition must rise or fall on its own merits, based on the specific claims and grounds presented. 35 U.S.C. 314(a).

The Board should give no weight to Petitioner's Section II argument.

II. Petitioner's Economic and Security Interests Lack Merit (DD Opp. §IV)

Petitioner argues that discretionary denial should be avoided due to the economic significance of its products and their alleged role in national security. Neither argument provides a basis to override the applicable discretionary factors under § 314(a) and *Fintiv*.

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With respect to economic impact, the Board has routinely denied institution in cases involving high-profile, widely used technologies. *See, e.g., Apple Inc. v. Masimo Corporation*, IPR2024-00293, Paper 11 at 21 (PTAB Jun. 27, 2024) (denying institution of a patent directed to a mobile pulse oximetry system asserted against Apple’s watches); *Id.*, Paper 7 at 2. Petitioner cites no authority suggesting that commercial importance shields a patent challenge from discretionary denial, and such a rule would run directly counter to the Board’s efficiency mandate. Nothing in the executive branch statements quoted by Petitioner (DD Opp. at 12) immunize it from liability for patent infringement, nor can they. The PTAB is not a pay-for-play venue, and simply because Petitioner’s products may be used in the data center market does not support placing a thumb on the scale when determining whether to institute a petition. Moreover, there are other sources for the products at issue that are not affected, including NVIDIA—the largest supplier by far. Ex. 2012 at 3 (Intel publication recognizing “that NVIDIA is the market share leader in AI training and certain HPC . . . computing workloads”); Ex. 2013 at 28 (NVIDIA company overview stating it is the “Leader in AI and HPC [High Performance Computing]”).

Petitioner’s alleged concern for national security is baseless and self-contradictory. In the Parallel Litigation, Petitioner has invoked 28 U.S.C. § 1498—asserting that any use of the accused technology “by or for the United States” is shielded from liability. Ex. 2014 at 20 (¶ 98). That defense, if valid, already protects

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the government's interests and removes any risk of injunction for such use by the government. Petitioner cannot simultaneously argue that national security is at risk and that § 1498 immunizes its activities.

Moreover, Petitioner has offered no evidence—only attorney argument—that denying institution would impair any specific national defense application. The Board has not treated unsubstantiated claims of public interest as sufficient to override otherwise applicable discretionary factors, and it should not do so here.

Petitioner's arguments regarding AMD are not relevant here. Petitioner here is Intel, not AMD. The underlying Petition was silent as to AMD, and the Board must consider the petition as written, not based on unrelated and belatedly raised aspects relating to AMD.

Petitioner's Section IV arguments fall outside the established *Fintiv* framework, are unsupported by evidence, and are undermined by its own litigation posture. They do not weigh against denial.

III. Settled Expectations Favor Denial (DD Opp. §V)

Petitioner argues that because the '768 Patent issued in 2019 it is not entitled to settled expectations. DD Opp. at 17. But, in *Dabico Airport Sols. Inc. v. Axa Power Apps.*, the Director noted that “there is no bright-line rule on when expectations become settled,” and cited to the six-year limitation of § 286 on infringement damages while explaining that the “approach [in *Dabico*] aligns with other

approaches to settled expectations. IPR2025-00408, Paper 21 at 3 (PTAB Jun. 18, 2025). The '768 Patent is more than six years old, and thus the *Dabico* reasoning is relevant here. *See also Amgen Inc. v. Bristol-Myers Squibb Co.*, IPR2025-00602, Paper 9 at 3 (PTAB July 24, 2025) (denying institution and finding patent that has been in force for six years created strong settled expectations). Furthermore, the facts surrounding the '768 Patent differ from the 2019 patents at issue in *Cambridge Indus. USA, Inc. v. Applied Optoelectronics, Inc.* (IPR2025-00434, -00436), cited by Petitioner. Unlike the *Cambridge* patents which had not previously been asserted in district court or challenged in IPR proceedings, the '768 Patent was the subject of both prior litigation and IPRs, both of which involved NVIDIA, a direct competitor of Petitioner and in the same technology space. Finally, Petitioner's suggestion that it did not consider the '768 Patent to apply to its Xeon processors and Habana accelerators ignores the Director's determination that "actual notice of a patent or of possible infringement is not necessary to create settled expectations," *Dabico Airport Sols.*, IPR2025-00408, Paper 21 at 3.

IV. Petitioner Misrepresents that Patent Owner Did Not Challenge Dr. Bajaj's Testimony (DD Opp. §VIII)

Aside from spending multiple pages attempting to justify its expert's declaration, which goes well beyond the scope of Patent Owner's request for discretionary denial, Petitioner misrepresents that Patent Owner "fails to even allege that Dr. Bajaj's testimony is not supported by evidence or lacks technical reasoning."

DD Opp. at 54. To the contrary, Patent Owner and its expert explained in detail why and how Dr. Bajaj mischaracterized the RS6000 reference (Ex. 1007) and was only able to read the reference on a limitation required by each independent claim through cropped quotations, speculation, and unsupported conclusions. DD Req. at 24-28. Such conclusory testimony from Petitioner's expert should be afforded little to no weight. This defect affects all challenged claims and strongly favors the Board exercising its discretion against institution.

V. The New Interim Process Governs (DD Opp. §X)

Petitioner's newly raised Administrative Procedure Act objection lacks merit, and the new interim process should govern the current proceeding. First, the new interim process became effective March 26, 2025, prior to Petitioner filing its Petition, so Petitioner cannot credibly claim reliance on the prior June 2022 Procedures. Second, the June 2022 Procedures were interim guidance that were not adopted by formal rule making under the Administrative Procedure Act. As such, the USPTO was free to implement new guidance in the application of its precedential *Fintiv* decision—which has not changed even under the new interim process.

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Dated: July 25, 2025

Respectfully submitted,

/David P. Lindner/

David P. Lindner, Reg. No. 53,222

Counsel for Patent Owner

Advanced Cluster Systems, Inc.

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), the undersigned hereby certifies that I caused true and correct copies of the foregoing **REPLY IN SUPPORT OF PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL AND ADVANCED CLUSTER SYSTEMS, INC.'S EXHIBITS 2012-2014** to be served in their entirety on July 25, 2025 by filing them through the U.S. Patent Office's P-TACTS Filing System as well as causing true and correct copies be delivered by electronic mail on Petitioner's lead and backup counsel at the following email addresses (as agreed by counsel for Petitioner):

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Dated: July 25 2025

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