

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CISCO SYSTEMS, INC.,
Petitioner

v.

QUICKER CONNECTIONS LLC,
Patent Owner

IPR2025-01088
U.S. Patent No. 7,061,859

PATENT OWNER'S DISCRETIONARY DENIAL BRIEF

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EXHIBIT LIST

Ex.	Description
2001	Complaint for Copyright and Patent Infringement in <i>Cisco Systems, Inc. v. Arista Networks, Inc.</i> , No. 5:14-cv-05344-BLF (N.D. Cal.)
2002	Email from Petitioner's counsel providing Orckit's 2005 SEC Form 20-F filing, dated Apr. 25, 2025
2003	Orckit's 2005 SEC Form 20-F filing
2004	Petitioner's U.S. Patent No. 7,349,348
2005	Prosecution History for Petitioner's U.S. Patent No. 7,349,348
2006	Petitioner's U.S. Patent No. 6,965,558
2007	Prosecution History for Petitioner's U.S. Patent No. 6,965,558
2008	Petitioner's U.S. Patent No. 7,602,706
2009	Prosecution History for Petitioner's U.S. Patent No. 7,602,706
2010	Petitioner's U.S. Patent No. 8,886,831
2011	Prosecution History for Petitioner's U.S. Patent No. 8,886,831
2012	Petitioner's U.S. Patent No. 8,300,523
2013	Prosecution History for Petitioner's U.S. Patent No. 8,300,523
2014	IPWatchdog article, <i>Stewart Says USPTO Wants Early Validity Challenges, Not Late IPRs</i> , dated June 10, 2025 (available at https://ipwatchdog.com/2025/06/10/189554/id=189554/)
2015	Cisco's Partial Motion to Dismiss Quicker Connections' Complaint in EDTX-Litigation, dated Mar. 3, 2025
2016	Google Patents Assignee Search Results
2017	Google Patents Assignee Search Results
2018	Quicker Connections' First Amended Complaint in EDTX-Litigation, dated Mar. 31, 2025
2019	L. Spencer letter to E. Robinson RE: Deficiencies in P.R. 3-1 and 3-2 Disclosures, dated Apr. 29, 2025
2020	RTT News article, <i>Corrigent Signs 15-Yr Agreement With Media Broadcast For Deutsche Telekom's Customer In Germany - Quick Facts</i> , Feb. 6, 2008 (available at https://www.rttnews.com/472822/corrigent-signs-15-yr-agreement-with-media-broadcast-for-deutsche-telekom-s-customer-in-germany-quick-facts.aspx)
2021	Forbes article, <i>The silicon spin</i> , Feb. 10, 2000 (updated June 6, 2013) (available at https://www.forbes.com/2000/02/10/mu3.html)
2022	Cisco's Answer to First Amended Complaint in EDTX-Litigation
2023	<i>Ex Parte</i> Reexamination Filing Data - September 30, 2024

Ex.	Description
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2026	PTAB Trial Statistics – Fiscal Year 2023
2027	PTAB Trial Statistics – Fiscal Year 2022
2028	PTAB Trial Statistics – Fiscal Year 2021
2029	PTAB Trial Statistics – Fiscal Year 2020
2030	PTAB Trial Statistics – Fiscal Year 2019
2031	PTAB Motion to Amend (MTA) Study – Update through Mar. 31, 2025
2032	Second Amended Docket Control Order in EDTX-Litigation
2033	Letter accompanying Cisco’s first production volume, dated May 2, 2025
2034	Letter accompanying Cisco’s second production volume, dated May 6, 2025
2035	Letter accompanying Cisco’s third production volume, dated May 7, 2025
2036	Letter accompanying Cisco’s fourth production volume, dated July 31, 2025
2037	Service email accompanying Quicker Connections’ Infringement Contentions and first production volume, dated Mar. 12, 2025
2038	Service email accompanying Quicker Connections’ second production volume, dated July 31, 2025
2039	Reserved
2040	Cisco’s notice of third-party subpoena to Nokia of America Corporation, dated Apr. 14, 2025
2041	Service email accompanying Nokia’s third-party production, dated June 3, 2025
2042	Letter accompanying Orckit Communications’ third-party production, dated Aug. 1, 2025
2043	Quicker Connections’ PR 3-1 and 3-2 Disclosures, dated Mar. 12, 2025
2044	Service email accompanying Cisco’s Invalidity Contentions, dated May 7, 2025
2045	Quicker Connections’ First Set of RFAs to Cisco (Nos. 1-9), dated July 11, 2025
2046	Quicker Connections’ First Set of ROGs to Cisco (Nos. 1-8), dated June 5, 2025

Ex.	Description
2047	Cisco's First Set of ROGs to Quicker Connections (Nos. 1-18), dated June 5, 2025
2048	Cisco's Invalidity Contentions, dated May 7, 2025
2049	Exhibit D-3 to Cisco's Invalidity Contentions (GR-1230 - '859 Claim Chart)
2050	Exhibit D-9 to Cisco's Invalidity Contentions (Lucent 2000 Product Family - '859 Claim Chart)
2051	First Amended Answer and Second Amended Counterclaims in <i>Multiven, Inc. v. Cisco Systems, Inc.</i> , et al, No. 5:08-cv-05391-JW-RS (N.D. Cal.)
2052	Lex Machina Search Results
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2054	Lex Machina Search Results
2055	Summary of verbatim (or nearly verbatim) matches between the 1088 IPR petition to the Min Declaration (Ex.1003)
2056	H. Laidlaw letter to L. Spencer RE: Document Categories, dated June 13, 2025
2057	E. Weber letter to E. Robinson RE: Document Categories, dated June 16, 2025

I. INTRODUCTION

On December 24, 2024, Patent Owner (“PO”) filed a patent infringement complaint against Petitioner in the Eastern District of Texas (“EDTX”). *Quicker Connections LLC v. Cisco Systems, Inc.*, 2:24-cv-01074 (E.D. Tex.) (“EDTX-Litigation”). PO asserted five patents: U.S. Patents 6,822,943 (“‘943 Patent”), 6,834,038 (“‘038 Patent”), 7,054,264 (“‘264 Patent”), 7,061,859 (“‘859 Patent”), and 7,483,399 (“‘399 Patent”). PO refers to the patents asserted in the EDTX-Litigation as the “Asserted Patents.” Petitioner filed its Petition for *inter partes* review of the ‘859 Patent on June 2, 2025.

First, referring this IPR to the Board would be an inefficient use of Board resources. Petitioner has not challenged the validity of any other Asserted Patents in an IPR, and thus there is no dispute that the EDTX will be considering the validity of the other four Asserted Patents not challenged by Petitioner in an IPR. It would therefore be inefficient for the Board to expend resources on the ‘859 Patent when the district court will address the validity of the ‘859 Patent along with the four other Asserted Patents at trial.¹

¹ Petitioner has recently filed a request for *ex parte* reexamination—as opposed to an IPR—against the ‘943 Patent. As explained below, Petitioner’s filing a request for *ex parte* reexamination is a tacit admission by Petitioner that IPR is not a proper

Second, PO has strong settled expectations of the ‘859 Patent’s validity. The ‘859 Patent issued to Orckit-Corrigent Ltd (“Orckit”) in the summer of 2006 and ***remained in force for more than seventeen years***, expiring in late 2023. In addition, there is no basis to disturb PO’s settled expectations because the ‘859 Patent was commercialized, marked, and applied in the Petitioner’s technology space (i.e., communication networks and high-speed packet rings). Finally, PO has strong settled expectation against Petitioner. After years of litigating against Orckit’s patent portfolio in multiple infringement actions, Petitioner had ample reason to anticipate that other patents from that portfolio—including the ‘859 Patent—would be asserted against it, yet failed to seek review of the ‘859 Patent in a timely fashion.

Third, the evidence of record favors exercising discretion to deny institution under *Fintiv* framework. ***The EDTX-Litigation will be tried more than two months before a final written decision (“FWD”) is issued in this proceeding.*** And there is absolutely no evidence that the EDTX “is likely to stay its proceeding even if the Board were to institute trial.” Indeed, the evidence shows that under the circumstances of this case the EDTX will not stay the EDTX-Litigation. Moreover, in view of Petitioner’s invalidity contentions in the EDTX-Litigation, Petitioner’s

procedural vehicle to challenge the Asserted Patents due to PO’s strong settled expectations.

Sotera stipulation does not “materially reduce overlap” between the IPR and the litigation. Finally, the Petition’s weak merits and over-reliance on expert testimony as gap-filler favor discretionary denial.

Accordingly, the Director should exercise her discretion and deny institution.

II. Instituting IPR Against Only One of the Asserted Patents Is Not a Proper Use of the Board’s Resources

Of the five Asserted Patents, Petitioner has only challenged the validity of the ‘859 Patent in an IPR. This alone is sufficient to deny institution on discretionary grounds. As the Director has held recently, even when “circumstances might counsel against discretionary denial” for one of the Asserted Patents but not others, it “would be an inefficient use of Board resources” to institute the IPR against that one Asserted Patent. *Samsung Electronics, Co. v. Icashe Inc.*, IPR2025-00641, Paper 12, 3 (P.T.A.B. Aug. 14, 2025). Notably, “the district court will be considering the validity” of the ‘859 Patent “along with the validity” of other Asserted Patents not challenged by Petitioner in an IPR, during the October 2026 trial in the EDTX-Litigation, before the FWD date in this IPR. *Id.*

III. PO’s Settled Expectations in the ‘859 Patent Are Presumptively Strong

The March 26, 2025 Memorandum titled, “Interim Processes for PTAB Workload Management” (the “March 26 Memo”), lists “settled [as opposed to speculative] expectations of the parties” as a factor to be considered as part of the

Director’s holistic review. March 26 Memo, 2. PO has settled expectations in the validity of the ‘859 Patent.

A. The ‘859 Patent Was in Force for More Than Seventeen Years

“[T]he longer the patent has been in force, the more settled expectations should be.” *Dabico Airport Sols. Inc. v. Axa Power Aps*, IPR2025-00408, Paper 21, 2-3 (Acting Director Stewart June 18, 2025). The weight of a strong settled expectation is such that it favors discretionary denial of institution even where “[t]here is no currently scheduled trial date in the co-pending district court litigation [and] [t]he District Court further vacated the scheduled Markman hearing.” *Cambridge Indus. USA, Inc. v. Applied Optoelectronics, Inc.*, IPR2025-00433, Paper 12, 2-3 (Acting Director Stewart June 27, 2025). The ‘859 Patent issued in 2006 and remained in force for over seventeen years until it expired in 2023. PO’s settled expectations in the validity of the ‘859 Patent are strong and there is no reason for them to be disturbed.

B. PO Has Strong Settled Expectations vis-à-vis Petitioner, for Petitioner Had Notice of the ‘859 Patent

A patent owner’s settled expectations may be especially strong in regards to a petitioner where, as here, the petitioner knew of the patent but did not challenge it for years. The Director has recently recognized that actual notice of a patent or of possible infringement is not necessary for a petitioner to have notice of a patent. *Dabico Airport*, IPR2025-00408, Paper 21 at 2-3. Instead, where a petitioner and a

patent owner are competitors and shared commercial interests, published patents and patent applications may be found using resources on the Internet:

[I]ssued patents are almost always publicly available to provide notice to the public, other inventors, ***competitors, and commercial interests***. Interested parties may find published patents and patent applications using the Office’s automated search systems as well as publicly available resources on the Internet. As such, ***actual notice of a patent or of possible infringement is not necessary to create settled expectations***.

Id. (internal citations omitted).

Here, Petitioner and Orckit, original assignee of the ‘859 Patent, were competitors and shared commercial interests. Petitioner and Orckit were competitors in the field of networking technologies, as shown by public statements made by both Petitioner and Orckit.² Petitioner characterizes itself as “an information technology (IT) company that ... develop[s] and implement[s] the ***networking technologies*** that enable global interconnectivity and the Internet of Everything.” Ex.2001, ¶1. Petitioner claims it “invests billions of dollars annually in research and development focused on creating the future of ***networking technologies***.” *Id.* Similarly, Orckit’s 2005 SEC Form 20-F filing—which

² “After Orckit went bankrupt, the Orckit patent portfolio was transferred to Orckit IP in 2016. Orckit IP then began dividing patents from the Orckit portfolio into newly formed entities, such as Quicker Connections[.]” Ex.2015, 1 n.1.

Petitioner’s counsel shared with PO in the EDTX-Litigation (Ex.2002) demonstrates Orckit’s investment in developing technical solutions to address challenges faced by *networking technologies*:

We are in the process of developing and commercializing the CM-100 product line, which consists of telecommunications equipment supporting high bandwidth services over fiber networks in *telecommunications networks* located in metropolitan, or metro, areas. In 2005, we continued to sell our CM-100 product to KDDI in Japan for their national deployment of a new metropolitan area network that is expected to carry new IP-based services, including high-definition TV, or HDTV, cellular network transmissions, Internet access and voice over IP, or VoIP.

Ex.2003, 17. Orckit’s efforts in networking technologies included “communication networks, and specifically to high-speed packet rings,” as captured by the ‘859 Patent. Ex.1001, 1:5-6.

As further evidence that Petitioner and Orckit were competitors in the field of networking technologies, several of Orckit’s patents—including the Asserted Patents—were cited during examination of Petitioner’s patent applications and appear on the face of Petitioner’s patents,³ as shown in Table 1 below.

³ These patents are assigned to Cisco Technology Inc. Petitioner admitted in other litigations that “Cisco Technology is a wholly-owned subsidiary of Cisco Systems.” *See, e.g.*, Ex.2051, p. 21 (¶23).

Asserted Patent	Cited in Petitioner's U.S. Patent	Notes
'943 Patent	7,349,348 (Ex.2004)	The '943 Patent appears on face of Petitioner's patent and was considered by examiner. ⁴ Ex.2005, 212.
'038 Patent	6,965,558 (Ex.2006)	The '038 Patent appears on face of Petitioner's patent and was considered by examiner. Ex.2007, 10.
'264 Patent	7,602,706 (Ex.2008)	The '264 Patent was extensively discussed in multiple Office Actions during the examination of Petitioner's patent. <i>See, e.g.</i> , Ex.2009, 98.
	8,886,831 (Ex.2010)	The '264 Patent was cited by Petitioner in an IDS during the examination of Petitioner's patent. Ex.2011, 162 (listing U.S. Patent Publication 20030021226 to Mor).
	8,300,523 (Ex.2012)	The '246 Patent appears on face of Petitioner's patent and was considered by examiner. Ex.2013, 273 (listing U.S. Patent Publication 20030021226 to Mor as prior art "considered pertinent to applicant's disclosure").

⁴ In *iRhythm*, the Director concluded that "settled expectations favor[ed] denial of institution" where petitioner knew of a family patent but delayed seeking USPTO review. *iRhythm, Inc., v. Welch Allyn, Inc.*, IPR2025-00363, Paper 10, 3 (Acting Director Stewart June 6, 2025). And in *Ericsson Inc. v. Procomm Int'l Pte. Ltd.*, IPR2024-01453, Paper 15, 3 (Acting Director Stewart June 25, 2025) the Director applied *iRhythm*'s reasoning even though the challenged patent was "brought to Petitioner's attention" by Examiner.

In fact, Petitioners have admitted that Orckit's technology is directed to networking. During the examination of one of Petitioner's patents, several claims were rejected as unpatentable over PO's '264 Patent ("Mor"). Attempting to distinguish Mor, Petitioner characterized Mor's teachings as follows:

Mor is directed to a communication system for interconnection of first and second networks. As shown in Fig. 2, the system includes first and second interconnect modules each configured to convey at least a portion of the outgoing traffic from the first network to the second network. When a fault occurs in one of the first and second modules, the other module is reconfigured to receive substantially all of the outgoing data traffic and to convey the traffic to the second network. ***The sharing of the load of traffic by the two modules in normal operation is an important object of the Mor patent.***

Ex.2009, 98. Petitioner thus had every reason to believe that Orckit was its competitor and was developing patents in Petitioner's same technology field.

Accordingly, Petitioner, as Orckit's "competitor[]" and a company with a "commercial interest[]" in the networking technology field, is presumed to have had notice of the '859 Patent at least as of its issuance date in 2006. *Dabico Airport*, IPR2025-00408, Paper 21 at 2-3.

1. Petitioner Had Actual Notice of the '859 Patent Prior to the EDTX-Litigation

In addition to the notice described above, Petitioner had actual notice of the '859 Patent before the EDTX-Litigation but waited years to present its challenge. This weighs in favor of discretionary denial. *iRhythm*, IPR2025-00363, Paper 10 at 3 ("Petitioner's awareness of Patent Owner's applications and failure to seek early

review of the patents favors denial and outweighs the above-discussed considerations.”); *see also* Ex.2014 (“Through the new PTAB processes, the Office is trying to send a message to stakeholders—do not wait to file an IPR.” (*Acting Director’s remarks* at the Intellectual Property Business Congress (IPBC) Global 2025)).

Petitioner has been litigating against Orckit’s patents for several years and across multiple lawsuits. The EDTX-Litigation is the fifth such case involving Orckit’s patents and Petitioner. In the EDTX-Litigation, Petitioner admitted it learned: “After Orckit went bankrupt, the Orckit patent portfolio was transferred to Orckit IP in 2016. Orckit IP then began dividing patents from the Orckit portfolio into newly formed entities, such as Quicker Connections[.]” Ex.2015, 1 n.1. Of the 70 patents originally assigned to Orckit (Ex.2016), 36—including the five Asserted Patents—have been litigated (Ex.2017)—most of them asserted against Petitioner. *See, e.g., Portsmouth Network Corp. v. Cisco Sys., Inc.*, No. 2:23-cv-00441 (E.D. Tex.) (involving U.S. Patents 7,035,279, 6,917,986, 8,014,394, 8,199,637, 7,596,088); *Orckit Corp. v. Cisco Sys., Inc.*, No. 2:22-cv-00276 (E.D. Tex.) (involving U.S. Patents 7,545,740, 8,830,821, 10,652,111, 6,680,904); *Corrigent Corp. v. Cisco Sys., Inc.*, No. 6:22-cv-00396 (W.D. Tex.) (involving U.S. Patents 7,113,485, 7,330,431, 9,118,602). Accordingly, Petitioner had notice of Orckit IP’s

patents—including the ‘859 Patent—well before the inception of the EDTX-Litigation.

Furthermore, in lawsuits prior to the EDTX-Litigation, Petitioner received notice of the marking label affixed to Orckit’s products. That label listed the ‘859 Patent alongside other Orckit patents asserted against Petitioner in those prior cases, confirming Petitioner’s notice. In its Amended Complaint, PO included a marking document pleading that “Orckit-Corrigent properly affixed the label below for products in other countries.” Ex.2018, ¶25. PO did not state how it obtained the label. Yet, Petitioner’s counsel in the EDTX-Litigation expressly admitted they had seen Orckit’s marking label before and were aware of its origin. “QC’s First Amended Complaint demonstrates that ***QC plainly has access to documents from Orckit-Corrigent that it appears to have obtained from Mr. Izhak Tamir and/or Mr. Yehuda Binder.*** See D.I. 30, First Amended Complaint, ¶ 25 (citing internal Orckit-Corrigent schematic).” Ex.2019, 6 (citing Orckit’s marking label in ¶25 of Ex.2018). Neither Mr. Tamir nor Mr. Binder are parties in the EDTX-Litigation, yet Petitioner knew them and knew the marking label in PO’s Amended Complaint is traced back to them.

Despite having notice of Orckit’s patent portfolio and the marking label affixed to Orckit’s products listing the ‘859 Patent, Petitioner chose not to seek

review of the ‘859 Patent until now. Petitioner’s delay in filing this IPR should not be rewarded.⁵

C. There is No Basis to Disturb PO’s Settled Expectations of the ‘859 Patent

The Director has recognized that in the face of PO’s settled expectations based on the length of time the patent has been in force, the petitioner must provide “persuasive reasoning why an *inter partes* review is an appropriate use of Board resources.” *Dabico Airport*, IPR2025-00408, Paper 21 at 3; *see also Intel Corp. v. Proxense LLC*, IPR2025-00327, Paper 12, 2 (Acting Director Stewart June 26, 2025) (“A petitioner must show “persuasive reasons why the Board should review challenged claims several years after their issuance date.”).

⁵ Moreover, Petitioner cannot claim it has settled expectations that the ‘859 Patent would not be asserted against it because it had never been asserted against it before 2024. The Director has previously rejected this very argument: “Petitioner’s argument that Patent Owner does not have settled expectations because Patent Owner did not previously assert the challenged patent against Petitioner does not defeat Patent Owner’s settled expectations.” *Kahoot! AS v. Interstellar Inc.*, IPR2025-00696, Paper 12, 2 (Acting Director Stewart July 31, 2025); *see also Google LLC v. Soundclear Techs. LLC*, IPR2025-00344, Paper 15, 2-3 (Acting Director’s Delegate Aug. 4, 2025) (substantively the same).

For example, a significant change in the law may have occurred since the patent issued, and a petitioner can explain how that change in law directly bears on the patentability of the challenged claims. As another example, a patent may have been in force for years but may not have been commercialized, asserted, marked, licensed, or otherwise applied in a petitioner's particular technology space, if at all.

Id.

Neither of these situations apply here and thus PO's settled expectations in the validity of the '859 Patent should go undisturbed. *Id.* ("In the absence of any such information, however, such as in the present proceedings, the Office is disinclined to disturb the settled expectations of Patent Owner.").

1. Petitioner Admits that the '859 Patent was Applied in the Petitioner's Technology Space.

The '859 Patent was "commercialized, asserted, marked, licensed, or otherwise applied in a petitioner's particular technology space." *Intel Corp.*, IPR2025-00327, Paper 12 at 2-3. Specifically, Petitioner admitted in the EDTX-Litigation that the '859 Patent was marked and applied in the Petitioner's technology space (i.e., communication networks and high-speed packet rings).

The '859 Patent issued to Orckit, an Israel-based company founded in 1990. Publicly available information shows that Orckit sold network telecommunication products to various global networking communications providers. *See, e.g.*, Ex.2020 (reporting Orckit's "product lines were selected as a main network infrastructure building block for network solutions deployed by Deutsche Telekom" of Germany); *see also* Ex.2021 (listing "GTE gte and Deutsche Telekom dt as customers for

[Orckit's] FastInternet service provider equipment and CopperTrunk modems"); Ex.2003, 5-6, 22-24 (reporting product deliveries by Orckit to KDDI Japan for a nationwide deployment of the CM-100 product line). Importantly, Orckit implemented a patent marking program and affixed a marking label to its products, listing the '859 Patent among the marked patents. *See* Ex.2018, ¶25 (the marking label appears on page 7).

Petitioner cannot now claim in this IPR that the '859 Patent was not marked or not applied in the networking communications technology space, as such a position would directly contradict Petitioner's position in the EDTX-Litigation. There, Petitioner has repeatedly contended that marking under 35 U.S.C. § 287 was required for the '859 Patent, and other Asserted Patents, because Orckit allegedly sold in the United States products practicing the '859 Patent. *See* Ex.2002 (arguing that PO's "Amended Complaint contains the demonstrably false statement that '[m]arking was not required under 35 U.S.C. § 287 because on information and belief, no products were sold or offered for sale in the United States"). Specifically, in the EDTX-Litigation, Petitioner denied in its Answer to PO's Amended Complaint that "[m]arking was not required under 35 U.S.C. § 287."⁶ Ex.2022,

⁶ In it important to note that Petitioner did not deny this pleading on the basis that it "lacks knowledge or information sufficient to form a belief." *Compare* Ex.2022

Response to ¶24.

Moreover, as noted above, on April 25, 2025, Petitioner’s counsel in the EDTX-Litigation emailed PO’s counsel claiming that PO’s pleading in the Amended Complaint that ““marking was not required”” was “demonstrably false.” Ex.2002. In that same email, Petitioner’s counsel shared a 2005 SEC Form 20-F filed by Orckit. Ex.2003. This 2005 SEC Form 20-F filing shows that Orckit “obtained several patents and have filed U.S. patent applications covering certain key areas of [its] technologies.” *Id.*, 23. The SEC Form F-20 further states that Orckit’s CM-100 product line was “selected for commercial deployment by KDDI Corporation in Japan, a major telecom carrier in Japan.” *Id.*, 18. Orckit’s SEC filing also lists “Vic Tokai, a regional telecom provider in Japan” and “WilTel, a U.S. wholesale telecommunications carrier” as Orckit’s customers. *Id.* Having been aware of this filing for years, Petitioner even claims that Orckit “maintained a sales office in the United States, marketed its products in the United States, and that it had U.S. customers.” Ex.2002 (internal citations omitted).

Response to ¶23, *with* Ex.2022 Response to ¶24. This shows that Petitioner’s denial of PO’s pleading that “[m]arking was not required under 35 U.S.C. § 287” is based on sufficient knowledge and information about Orckit’s products and marking label listing Orckit’s patents, including the ‘859 Patent.

Accordingly, PO's settled expectation in the validity of the '859 Patent is further heightened by the fact that the '859 Patent was applied in Petitioner's filed of technology.

2. The Law of Obviousness has NOT Significantly Changed Since the '859 Patent Issued.

Similarly, there is no basis to disturb PO's settled expectations in the validity of the '859 Patent as there has been no "significant change in law" that Petitioner has shown bears on the patentability of the challenged claims since the '859 Patent issued. *Intel Corp.*, IPR2025-00327, Paper 12 at 2-3.

Petitioner asserts a single-reference obviousness challenge against the '859 Patent under 35 U.S.C. § 103 (Pre-AIA) over Omichi. Petition, 17. The law governing obviousness—particularly with respect to single-reference challenges—has not undergone any significant change since 2006, when the '859 Patent issued. This is facially ascertainable from the Petition. The only post-2006 cases cited in the Petition support contentions that have been settled long before 2006.

First, Petitioner relies on post-2006 cases to support its contention that Petitioner can cite "additional prior art as evidence of the background knowledge of a POSITA and to provide contemporaneous context to support Petitioner's assertions regarding what a POSITA would have understood." Petition, 17-18. The MPEP, however, has long recognized that the "common knowledge" in the art can be used by an examiner to reject claims on obviousness grounds provided that such

knowledge is established by adequate evidence. *See* MPEP § 2144.03 (citing several pre-2006 cases). Furthermore, relying on a POSITA's understanding of a prior art to support an obviousness challenge has also long been recognized. *See, e.g., In re Yamamoto*, 740 F.2d 1569, 1572 (Fed. Cir. 1984) ("From this the board inferred, appropriately in our view, that ***one of ordinary skill in the art reading Shepard would have understood the advantages of recording and storing answers and how to do it.***"); *Penda Corp. v. United States*, 29 Fed. Cl. 533, 561 (1993). Accordingly, the Petition cites no post-2006 law that did not exist at the time the '859 Patent was examined in 2006.

To the extent Petitioner contends that *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398 (2007) and the Federal Circuit's post-*KSR* jurisprudence represent a substantial change in the law of obviousness, any such argument is unavailing. As an initial matter, the Supreme Court made clear that *KSR* did not create new law but rather reaffirmed a longstanding principle underlying obviousness. Specifically, the Court reiterated that "[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results"—a rationale it described as a "principal reason for declining to allow patents for what is obvious," dating back nearly half a century. *KSR*, 550 U.S. at 415-16. The Court further emphasized that "[n]either the enactment of § 103 nor the analysis in *Graham*

disturbed this Court's earlier instructions concerning the need for caution in granting a patent based on the combination of elements found in the prior art.” *Id.*

Moreover, even if *KSR* prompted a shift in the Federal Circuit’s obviousness jurisprudence, that shift is inapposite here. Given Petitioner’s single-reference obviousness challenge, any shift in the Federal Circuit’s obviousness jurisprudence does not “directly bear[] on the patentability” of the ‘859 claims as challenged in the Petition. *Intel Corp.*, IPR2025-00327, Paper 12 at 2-3. The Petition does not argue that the ‘859 claims are an obvious modification of Omichi, and thus it offers no analysis of a POSITA’s reasonable expectation of success. Nor does it propose any combination of known prior art elements to arrive at the ‘859 claims. As a result, the Petition contains no discussion of any motivation to combine. Indeed, for every limitation of the ‘859 claims, the Petition’s obviousness challenge rests solely on what “Omichi describes.” *See, e.g.*, Petition at 25, 28, 30, 39.

Accordingly, Petitioner cannot identify any change in law significant enough to undermine PO’s settled expectation in the validity of the ‘859 Patent vis-à-vis the Petition.

D. PO’s Other Settled Expectations

The March 26 Memo does not limit settled expectations to PO’s settled expectations of validity. Settled expectations may include expectation not to be

subjected to a non-existent procedure, or investment-backed expectation.⁷ These expectations strongly favor discretionary denial.

1. The ‘859 Patent Issued Pre-AIA, Creating a Procedural Settled Expectation That It Would Not Be Subject to an IPR Proceeding Established by the AIA

In 2006, when the ‘859 Patent issued, a defendant in a patent infringement case could challenge the patent’s validity through district court litigation, *ex parte* reexamination, and/or *inter partes* reexamination.

1. In district court, given the adversarial nature of the process—allowing discovery, expert witness testimony, and oral hearing—the patent-in-suit enjoys a presumption of validity under 35 U.S.C. § 282. Thus, the defendant in district court bears the burden of proving invalidity by clear and convincing evidence.

2. An *ex parte* reexamination is not adversarial, and the standard for unpatentability is diminished to a preponderance of the evidence. An *ex parte* reexamination “follows essentially the same inquisitorial process between patent owner and examiner as the initial Patent Office examination.” *SAS Inst., Inc. v. Iancu*, 584 U.S. 357, 360 (2018). Specifically, “the patent owner will be permitted to propose any amendment to his patent and a new claim or claims thereto, in order

⁷ Indeed, the March 26 Memo also lists economic interest as factor the Director may consider in exercising her discretion to deny institution.

to distinguish the invention as claimed from the prior art cited under the provisions of section 301, or in response to a decision adverse to the patentability of a claim of a patent.” 35 U.S.C. § 305.

3. An *inter partes* reexamination (repealed in 2012) offers a “slightly more adversarial process” than an *ex parte* reexamination, but otherwise “it too followed a more or less inquisitorial course led by the Patent Office.” *SAS Inst.*, 584 U.S. at 360. A patent challenger in an *inter partes* reexamination should meet the same preponderance of evidence standard as in an *ex parte* reexamination without having the benefit of discovery, expert witness testimony, or oral hearing. And similar to its *ex parte* counterpart, the patent owner in an *inter partes* reexamination was entitled to amendment as of right. *See* 35 U.S.C. § 314(a) (pre-AIA).

Thus, in 2006, a patent owner had a settled expectation that validity challenges would occur either in an adversarial forum with a heightened burden of proof or in a non-adversarial reexamination subject to a lower burden—but with the ability to amend claims as of right. What a patent owner in 2006 did not expect was to face a fully adversarial proceeding—like an IPR—governed by the lower preponderance of evidence standard and without the ability to amend claims as of right.

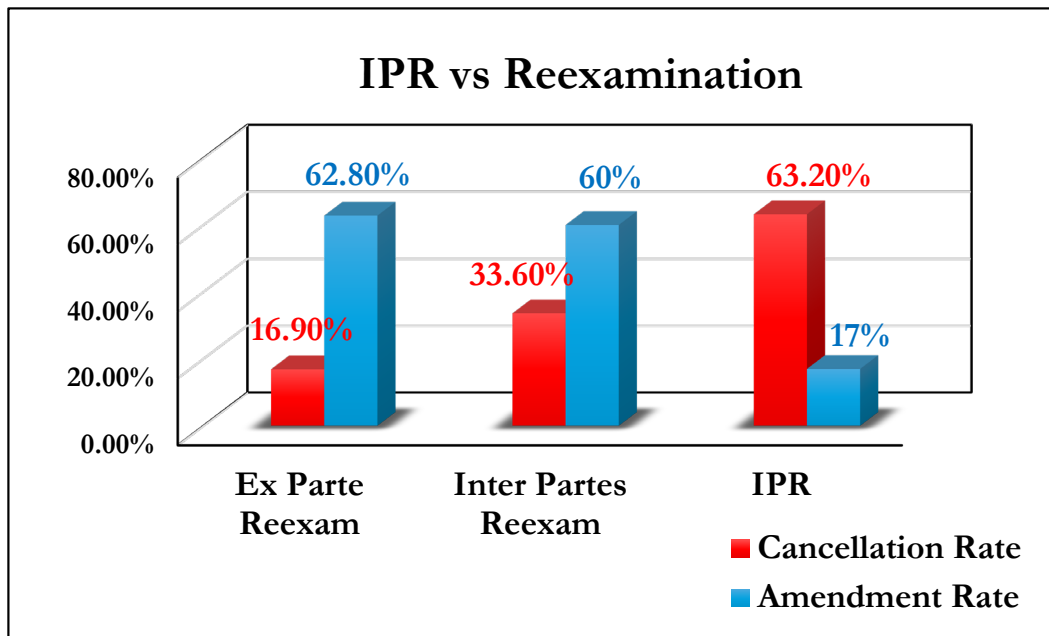
The adversarial nature of an IPR proceeding makes unpatentability challenges significantly more likely to succeed than in either *ex parte* or *inter partes* reexamination—even though all three proceedings apply the same preponderance of

the evidence standard to cancel or invalidate claims.⁸ This is evident from the Patent Office’s published statistics. Between July 1, 1981 and September 30, 2024, the USPTO issued 5,794 *ex parte* reexamination certificates where the requester was a third-party challenger. *See* Ex.2023. In only 980 of those cases (16.9%) were all claims canceled. *Id.* From November 29, 1999 to September 30, 2017, 1,462 *inter partes* reexamination certificates were issued, with all claims canceled in 492 cases (34%). *See* Ex.2024. By contrast, between October 1, 2018 and September 30, 2024,

⁸ In reexamination proceedings, the threshold for initiating review is whether a “substantial new question of patentability” (SNQ) exists based on prior art. In contrast, institution of an IPR requires a higher threshold: a “reasonable likelihood” that the petitioner would prevail with respect to at least one challenged claim. That said, the standard for cancellation or invalidation of claims—once review is instituted—is the same across all three proceedings: a preponderance of the evidence. Accordingly, comparing institution rates between IPRs and reexaminations is statistically meaningless, as they are governed by different initiation thresholds. However, once initiated, because all proceedings apply the same preponderance of evidence standard, comparing outcomes—such as reexamination certificates and IPR final written decisions—is statistically meaningful.

the Board issued 2,872 final written decisions in IPR proceedings, and in 1,815 of them (64%), all claims were found unpatentable.⁹ Moreover, while claims are amended in approximately 60% of pre-existing reexamination proceedings initiated by a third-party requester (*see* Exs.2023-2024), motions to amend claims are granted in only 17% of IPR proceedings (*see* Ex.2031, 19), further underscoring the adversarial nature of IPR proceedings.

⁹ The Board releases statistics for each fiscal year at <https://www.uspto.gov/patents/ptab/statistics>. The statistics reported herein is calculated based on annual statistics reported by the Board. *See* Ex.2025 (statistics for the fiscal year ending in September 2024), 11; Ex.2026 (same for fiscal year ending in September 2023), 11; Ex.2027 (same for fiscal year ending in September 2022), 12; Ex.2028 (same for fiscal year ending in September 2021), 12; Ex.2029 (same for fiscal year ending in September 2020), 14; Ex.2030 (same for fiscal year ending in September 2019), 14.



Ex parte reexamination is the least adversarial of these proceedings, *inter partes* reexamination is slightly more adversarial than *ex parte* reexamination, and IPR is a fully litigation-style adversarial proceeding. The data shows a clear pattern: the more adversarial the proceeding, the greater the likelihood that a patent's claims will be found unpatentable. Because the standard of proof remains the same, it is the adversarial nature of the proceeding that becomes outcome-determinative. No doubt that subjecting a patent issued in 2006 to a full-fledged adversarial proceeding like an IPR—which did not exist until five years later—disrupts the settled expectations of the patent owner as to the process challenging the patent. As additional support for PO's position that IPR is not a proper procedural mechanism to challenge the Asserted Patents due to PO's strong settled expectations, Petitioner has recently filed a request for *ex parte* reexamination—not an IPR—against the '943 Patent.

2. Investment-Backed Expectations Matter

In 2006, a patent owner deciding whether to pursue a patent would have reasonably considered the cost of obtaining the patent against the expected risk, cost, and likelihood of success in defending it against post-grant challenges. At that time, the only avenues for post-grant review were *ex parte* and *inter partes* reexaminations—both of which were far less expensive and adversarial than IPR proceedings. A rational investor would weigh these factors before committing substantial resources to prosecution. Based on that analysis, the patent owner would make a strategic decision to invest, with the understanding that if the patent were challenged, the process would be limited in scope, less costly, and more favorable to the patentee.

It would disrupt the settled expectations of such a patent owner to impose—years after the investment was made—a costlier and more adversarial post-grant regime that did not exist. In particular, it is common knowledge that defending a patent in an IPR is markedly more expensive than in either form of reexamination. Moreover, the IPR process, being adversarial in nature, sharply reduces the likelihood that a patent will be upheld. A patent owner who invested in 2006 had a well-founded, investment-backed expectation not to be hauled into a process that imposes new procedural disadvantages, heightened invalidity risk, and substantial

litigation costs that could not have been foreseen at the time of filing its patent application.

Accordingly, PO's other settled expectations favor exercising discretion to deny institution.

3. Settled Expectations Are Not to Be Confused with Due Process Rights

To be clear, PO does not argue that the “the retroactive application of IPR proceedings to pre-AIA patents is [] an unconstitutional taking under the Fifth Amendment.” *Celgene Corp. v. Peter*, 931 F.3d 1342, 1362 (Fed. Cir. 2019). Nor does PO argue that it has a “vested right to in any given mode of procedure” such that applying IPR to the ‘859 Patent violates PO's due process rights. *Id.* (quoting *Denver & Rio Grande W. R.R. Co. v. Bhd. of R.R. Trainmen*, 387 U.S. 556, 563 (1967)). Thus, unlike *Celgene*, PO does not argue that the retroactive application of the AIA to the ‘859 Patent violates any constitutional right. Rather, PO's argument is narrower: even if the AIA is constitutional, applying it here would still disrupt PO's settled expectations.

Celgene addressed a constitutional challenge to the AIA as applied and did not consider whether the Director could, in her discretion, take settled expectations into account when deciding whether to institute review. Importantly, the March 26 Memo expressly lists “settled expectation” as a factor the Director may consider in exercising her discretion to deny institution. That the Director used this term

deliberately reflects a recognition that settled expectations can be relevant even where the statute is constitutionally applied. As the Supreme Court has long made clear, “our cases are clear that legislation readjusting rights and burdens is not unlawful solely because it upsets otherwise settled expectations.” *Usery v. Turner Elkhorn Mining Co.*, 428 U.S. 1, 16 (1976). Accordingly, PO’s argument is not foreclosed by *Celgene*—because *Celgene* did not address the role of settled expectations in the Director’s discretionary analysis. Nor could it, as the Director enjoys a broad “nonappealable” discretion to determine “whether to institute an inter partes review.”¹⁰ 35 U.S.C. § 314(d).

¹⁰ If the Director were to interpret *Celgene* as addressing a pre-AIA patent owner’s settled expectations vis-à-vis IPRs (it does not), PO notes that *Celgene* turned in part on the Court’s observation that “Celgene has made no showing ... that claims canceled in IPRs ... would have fared any better in the preexisting reexamination procedures.” *Celgene*, 931 F.3d at 1362. Here, by contrast, PO has cited the Patent Office’s own data, which conclusively demonstrates that the adversarial nature of IPRs significantly increases the likelihood of claim cancellation compared to the pre-AIA reexamination procedures. This distinction underscores why PO’s settled expectation argument stands on firmer ground than the one rejected in *Celgene*.

E. PO is Entitled to the Full Scope of the Settled Expectations Held by the Original Assignor.

It has been the law of the land for over 150 years that “the assignee stands in the shoes or in the place of the patentee, and represents him.” *Wilson v. Rousseau*, 45 U.S. 646, 703 (1846). “[W]here the patentee makes an assignment of all substantial rights under the patent, the assignee may be deemed the effective ‘patentee.’” *Prima Tek II, L.L.C. v. A-Roo Co.*, 222 F.3d 1372, 1377 (Fed. Cir. 2000); *see also Corbin on Contracts* § 51.1 (“Among the axiomatic phrases in contract law, the clear victor in the law of assignments is, ‘The assignee stands in the shoes of the assignor.’”).

As the current assignee of the ‘859 Patent, PO is entitled to the full scope of settled expectations that the original assignor would have otherwise enjoyed. That PO does not manufacture a product allegedly covered by the patent—or that it acquired the ‘859 Patent at a later date—is irrelevant to its entitlement to those expectations. Indeed, in *SAP Am., Inc. v. Valtrus Innovations Ltd.*, IPR2025-00415, Paper 10, 2 (Acting Director Stewart July 10, 2025), the Director discretionarily denied institution, finding “strong settled expectations” despite that “PO acquire[d] the challenged patent [in] 2021” (*Id.*, Paper 9, 11). To conclude otherwise would undermine PO’s “compelling economic ... interests,” as PO made an investment in the ‘859 Patent knowing it had been in force for nearly 17 years, and covered technology squarely within Petitioner’s field. *See* March 26 Memo, 2 (listing

“compelling economic ... interests” as a factor to be considered). Settled expectations attach to the ‘859 Patent itself—not to PO’s identity or business model.

IV. The Board Should Exercise Discretionary Denial Under *Fintiv* Framework

If the Board considers *Fintiv*, the Board should deny institution under §314(a). In *NHK Spring*, the Board denied institution primarily because the related district court case would resolve all the issues before the Board. *NHK Spring Co., Ltd. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8, 20 (P.T.A.B. Sept. 12, 2018) (precedential), *see also id.*, 11-18 (applying discretion under 35 U.S.C. §325(d)). Other cases relying on *NHK Spring* have also denied institution where the district court trial would resolve the invalidity issue before an FWD would be issued by the Board. *E.g., E-One, Inc. v. Oshkosh Corp.*, IPR2019-00161, Paper 16, 6 (P.T.A.B. May 15, 2019).

In both *NHK Spring* and *E-One*, factors warranting a denial of institution included the district court investing considerable time and resources to handle the same issues presented in the IPR, and trials that were scheduled to be completed prior to a Board’s FWD. The facts here warrant denial just as in *NHK Spring* and *E-One*.

In *Fintiv*, the Board emphasized six factors to consider under *NHK Spring*, discussed below. *See Fintiv*, IPR2020-00019, Paper 11 at 5-16. The Board stated that “[t]hese factors relate to whether efficiency, fairness, and the merits support the

exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding.” *Id.*, 6. In evaluating the *Fintiv* factors, the Board must “take[] a ***holistic view*** of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.*

Importantly, no individual factor is dispositive by and of itself. *See* the March 24, 2025 Memorandum titled, “Guidance on USPTO’s Recission of ‘Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation’” (the “March 24, 2025 Memo”). For example, a timely-filed *Sotera* stipulation is not dispositive. *Id.*, 3. Similarly, “compelling merits alone is not dispositive in making the assessment.” *Id.*; *see also Motorola Sols., Inc. v. Stellar, LLC*, IPR2024-01205,-01206,-01207,-01208, Paper 19 (Acting Director Stewart Mar. 28, 2025) (vacating the decision granting institution and denying institution because “the Board did not give enough weight to the investment in the parallel proceeding and gave too much weight to Petitioner’s *Sotera* stipulation”).

Additionally, consistent with *Fintiv*’s holistic analysis, the Board should also consider other relevant considerations, including but not limited to “[t]he extent of the petition’s reliance on expert testimony,” and “[s]ettled expectations of the parties, such as the length of time the claims have been in force.” March 26 Memo, 2-3.

Here, the overall balance of *Fintiv* factors and other relevant considerations weigh strongly in favor of denying institution under 35 U.S.C. §314(a).

A. Factor 1: No stay has been entered in the EDTX-Litigation and there is no evidence that a stay will be granted.

Fintiv Factor 1 weighs in favor of discretionary denial because the EDTX-Litigation has not been stayed. Indeed, no motion to stay the case is pending, and Petitioner has presented no evidence that Judge Schroeder would grant a stay if such a motion were filed. Even if Petitioner filed a motion to stay today, under the precedent in the EDTX, it would be denied.

As a threshold matter, the ‘859 Patent is not subject to an instituted IPR proceeding, and the EDTX denies stays when the Board has not issued the decision on institution:

It would have been virtually pointless for Samsung to have sought a stay before the IPR was instituted, as this Court would have almost certainly denied it; the decisions of courts in this district as well as other district courts make that abundantly clear.

CyWee Grp. Ltd. v. Samsung Elecs. Co., No. 2:17-cv-00140, 2019 WL 11023976, at *5 (E.D. Tex. Feb. 14, 2019); *see also Trover Grp., Inc. v. Dedicated Micros USA*, No. 2:13-cv-1047-WCB, 2015 WL 1069179, at *6 (E.D. Tex. Mar. 11, 2015) (Bryson, J.) (“This Court’s survey of cases from the Eastern District of Texas shows that when the PTAB has not yet acted on a petition for inter partes review, the courts have uniformly denied motions for a stay.”); *Samsung Elecs. Co. v. Evolved Wireless*

LLC, IPR2021-00950, Paper 10, 10-11 (P.T.A.B. Nov. 29, 2021) (finding a stay was unlikely partly based on the court’s past decisions denying stays); *Samsung Elecs. Co. v. Clear Imaging Rsch., LLC*, IPR2020-01552, Paper 12, 12-13 (P.T.A.B. Mar. 3, 2021) (denying institution because, in part, Judge Gilstrap deemed unlikely to stay a case in similar circumstances).

Moreover, the EDTX has yet another independent reason to deny a motion to stay—any FWD would not be due until well after the trial concludes. The EDTX-Litigation has been underway for eight months now, and jury selection is nearly a year away, on October 19, 2026. *See* Ex.2032. This is “a deadline that cannot be changed without an acceptable showing of good cause. Good cause is not shown merely by indicating that the parties agree that the deadline should be changed.” *Id.*, 4. An FWD would not be due until December 25, 2026, more than two months after trial is scheduled to begin. For this independent reason, the EDTX is likely to find a stay in circumstances like this case would unduly prejudice PO. *See, e.g., MyPort, Inc. v. Samsung Elecs. Co.*, No. 2:22-cv-00114-JRG, ECF No. 73, at 4 (E.D. Tex. June 13, 2023) (denying a stay where the PTAB decision is not due until over two months after jury trial is set to begin).

Finally, under similar circumstances, the Director has repeatedly held that “there is insufficient evidence that the district court is likely to stay its proceeding even if the Board were to institute trial.” *See, e.g., Samsung Elecs. Co. v. Mobile*

Data Techs., LLC, IPR2025-00535, Paper 16, 2 (Acting Director’s Delegate July 10, 2025); *Samsung Elecs. Co. v. GenghisComm Holdings, LLC*, IPR2025-00780, Paper 11, 2 (Acting Director’s Delegate Aug. 14, 2025).

Accordingly, *Fintiv* Factor 1 weighs overwhelmingly in favor of discretionary denial.

B. Factor 2: The EDTX-Litigation’s Trial Date is Two Months Before the Expected Date of Any FWD

Fintiv Factor 2 strongly weighs in favor of discretionary denial because by the time any FWD in this IPR would issue, the EDTX-Litigation would be concluded, and Petitioner’s invalidity challenges against the ‘859 Patent and the other four Asserted Patents—not currently challenged by Petitioner in an IPR—would all be addressed by the district court. “If a district court’s trial date is earlier than the Board’s projected statutory deadline for an FWD, the Board generally has weighed this fact in favor of exercising discretion to deny institution.” *T-Mobile USA, Inc. v. Wireless Alliance, LLC*, IPR2024-00608, Paper 16 (P.T.A.B. Sept. 3, 2024) (denying institution of IPR); *see also Shenzhen Tuozhu Tech. Co. v. Stratasys, Inc.*, IPR2025-00354, Paper 11, 2 (Acting Director Stewart June 12, 2025) (granting patent owner’s request for discretionary denial when the “projected [FWD] due date ... is July 14, 2026,” the “scheduled trial date is June 1, 2026,” and the “time-to-trial statistics suggest that trial will begin in July 2026”).

This IPR was filed nearly six months after initiation of the EDTX-Litigation, and a decision whether to institute it is expected approximately on December 25, 2025. If instituted, any FWD is expected approximately on December 25, 2026. 37 C.F.R. §42.100. Jury selection in the EDTX-Litigation is scheduled to begin on October 19, 2026, two months before any FWD from the Board. *See* Ex.2032, 1, 4 (jury selection is “a deadline that cannot be changed without an acceptable showing of good cause” which must be more than the parties’ agreement). The parties have never attempted to extend any of the critical interim deadlines, such as claim construction, fact discovery, expert discovery, pre-trial conference, and jury selection.

For two reasons, the Director need not consider any time-to-trial statistics in determining that *Fintiv* factor 2 favors discretionary denial. **First**, the Director has recently held that when “the district court judge has indicated an intention to maintain the current trial schedule and only delay the trial schedule under extraordinary circumstances,” the scheduled trial date should control. *Linkplay Tech. Inc. v. Sonos, Inc.*, IPR2025-00509, Paper 10, 2 (Acting Director Stewart July 31, 2025). Here, Judge Schroeder’s Docket Control Order states that the jury selection is ‘a deadline that cannot be changed without an acceptable showing of good cause. Good cause is not shown merely by indicating that the parties agree that the deadline should be changed.’ Thus, under *Linkplay*, the scheduled trial date controls.

Second, the median time-to-trial statistics are not dispositive because the trial date was agreed to by the parties and has not changed. *See Linkplay*, IPR2025-00509, Paper 10 at 2 (recognizing that even when “time-to-trial statistics suggest” a trial later than the FWD date, the parties’ agreed trial date should control). But even considering the median time-to-trial statistics for the EDTX’s patent docket, the trial date would still be before the FWD.

According to Lex Machina’s statistics, between January 1, 2009, and August 17, 2025, a total of 15,336 patent cases have been filed in the EDTX. Of these cases, only 311 cases ended with a trial. The median time-to-trial for these 311 cases is 707 days. Considering this median time-to-trial, the trial date in the EDTX-Litigation would be on November 30, 2026—which is still nearly a month before the FWD date in this IPR.¹¹

¹¹ PO does not rely on the “United States District Courts—National Judicial Caseload Profile” published at <https://www.uscourts.gov/>. The median time-to-trial reported there reflects all civil cases in EDTX, of which only one-third are intellectual property cases and only a fraction are patent cases. *See Ex.2053*, 35. PO submits that the more relevant statistic is the median time-to-trial for patent cases specifically. For example, the most recent U.S. Court Statistics for the 12-month period ending March 31, 2025, report a median time-to-trial of 25.9 months for all civil cases in

Accordingly, this factor weighs in favor of exercising discretion to deny institution.

C. Factor 3: Significant Investment in the Parallel Litigation Has Occurred

Fintiv Factor 3 relates to the “amount and type of work already completed in the parallel litigation by the court and the parties at the time of the institution decision.” *Fintiv*, 9. The second prong is the petitioner’s diligence in filing the petition. “If the petitioner cannot explain the delay in filing its petition, [this fact has] favored denial.” *Fintiv*, 11-12 (recognizing that for Factor 3, “the parties should explain facts relevant to timing”). This factor weighs in favor of exercising discretion to deny institution, because the first prong is neutral, and the second prong strongly weighs in favor of discretionary denial.

Starting with the first prong, fact discovery between the parties is ongoing in the EDTX-Litigation, and each party has produced several volumes of documents. Exs.2033-2038. Petitioner has served a third-party subpoena requesting production of documents. Ex.2040. Nokia of America Corporation has produced documents in response to Petitioner’s subpoena. Ex.2041; *see also* Ex.2042. In addition, the parties have exchanged their infringement and invalidity contentions. Exs.2043-2044. The

EDTX (*see id.*, 35), whereas the median time-to-trial for patent cases pending in the same time frame is only 672 days. *See* Ex.2054.

parties have also served requests for production, interrogatories, and requests for admission on each other. Exs.2045-2047, Exs.2056-2057. PO has also engaged in substantial source code review. By the projected institution date, the parties will have already expended significant time in discovery and exchanged terms for claim constructions. *See* Ex.2032. Under similar circumstances, the Board has consistently held this prong is neutral. *See, e.g., Samsung Elecs. Co. v. SiOnyx, LLC*, IPR2025-00065, Paper 16, 11-12 (P.T.A.B. June 6, 2025) (determining that the first prong is neutral even when “**the claim construction phase has not even begun yet**”); *Dell Inc. v. Universal Connectivity Techs. Inc.*, IPR2024-01479, Paper 11, 6-7 (P.T.A.B. Apr. 7, 2025); *Lenovo Inc. v. Universal Connectivity Techs. Inc.*, IPR2024-01482, Paper 17, 11-12 (P.T.A.B. Apr. 17, 2025); *Solus Advanced Materials Co. v. SK nexilis Co.*, IPR2024-01460, Paper 14, 17-18 (P.T.A.B. Apr. 22, 2025).

Turning to the second prong, Petitioner were not diligent in filing their Petition. Petitioner cannot explain why they failed to promptly file their Petition upon being sued by PO in the EDTX-Litigation. As explained above, Petitioner had both notice of the Asserted Patents and notice of Orckit’s patent portfolio being enforced against it at least in three prior litigations. Petitioner’s failure to seek early review of the ‘859 Patent constitutes “substantial delay” that favors discretionary denial under *Fintiv* Factor 3. *AT&T Servs. Inc. v. ASUS Tech. Licensing Inc.*, IPR2024-00992, Paper 14, 12 (P.T.A.B. Dec. 16, 2024) (five months between

infringement contentions and the petition is a “substantial delay”).

Accordingly, this factor weighs in favor of exercising discretion to deny institution.

D. Factor 4: There is Substantial Overlap Between This IPR and the EDTX-Litigation, Rendering Petitioner’s *Sotera*-style Stipulation Ineffective

Fintiv factor 4 weighs strongly in favor of discretionary denial because “some of the claims challenged in the petition are also at issue in district court,” and the “petition includes the same or substantially the same claims, grounds, arguments, and evidence” as included in the EDTX-Litigation. *Fintiv*, 12-13.

The Board’s August 13, 2025 FAQs (“FAQs”) about the discretionary denial process¹² state that “the stipulation [must] materially reduce[] overlap between the proceedings,” noting that “[w]here the petitioner is relying on corresponding system art in a co-pending proceeding and/or several other invalidity theories, a stipulation may not be particularly meaningful.” *Id.* Petitioner’s *Sotera*-style stipulation fails to materially reduce overlap between the proceedings.

1. There is Substantial Overlap Between the References in the Petition and the Corresponding System Art in the EDTX-Litigation

Petitioner provides the following *Sotera*-style stipulation:

[I]f the PTAB institutes this IPR, Petitioner will not pursue in this

¹² www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management.

litigation against the claims challenged in this IPR, (i) the specific grounds raised, or (ii) any other grounds that could have reasonably been raised before the PTAB in that instituted proceeding (i.e., any ground that could have reasonably been raised under §§ 102 or 103 on the basis of prior art patents or printed publications).

Petition, 16-17. However, this stipulation does not prevent Petitioner from using Omichi *as evidence* for any system art-based invalidity theory that Petitioner advances in the EDTX-Litigation. In fact, Petitioner has used Omichi extensively as evidence in its so-called system art invalidity ground. In the EDTX-Litigation, Petitioner asserted a system art invalidity ground against the ‘859 Patent based on “GR-1230 System.” *See* Ex.2048, 10 (referencing D3 invalidity chart); Ex.2049 (D3 invalidity chart against the ‘859 Patent). Petitioner’s system art invalidity chart relies extensively on Omichi’s disclosure for limitations 1[A] (*see* Ex.2049, 108-113), 1[B] (*see id.*, 195-201), and 1[C] (*see id.*, 276-286).¹³

¹³ Petitioner also relies on other prior art patents and printed publications in their system art invalidity contentions. *See, e.g.*, Ex.2049, 287-294 (relying on Killat). Similarly, in the only other purportedly system art-based invalidity ground (based on “Lucent 2000 Product Family”) that Petitioner asserts against the ‘859 Patent in the EDTX-Litigation, Petitioner relies on Omichi and other prior art patents and printed publications for various claim limitations. *See, e.g.*, Ex.2050, 220-225; 274-289.

Worse yet, Petitioner's *Sotera*-style stipulation does not preclude Petitioner from raising invalidity grounds in the EDTX-Litigation based on combinations of system art with any prior art patents or printed publications. Indeed, Petitioner expressly reserved that right.

[T]he GR-1230 System renders those claims obvious either alone, or in combination with the knowledge of a person having ordinary skill in the art, and in further combination with the references specifically identified below and in the following claim chart ***and/or one or more references identified in Defendant's Preliminary Invalidity Contentions.***

Ex.2049, 1. The "one or more references identified in Defendant's Preliminary Invalidity Contentions" refers to a list of prior art patents and printed publications in Petitioner's invalidity contentions. *See* Ex.2048, 5-9.

The recent Federal Circuit precedential decision in *Ingenico* highlights why Petitioner's *Sotera*-style stipulation is ineffective for *Fintiv* purposes. *Ingenico Inc. v. IOENGINE, LLC*, 136 F.4th 1354 (Fed. Cir. 2025). The Court held that the protection afforded by the IPR estoppel (35 U.S.C. §315(e)) is narrow: a petitioner is not precluded from "relying on **the same patents and printed publications as evidence** in asserting a ground that could not be raised during the IPR, such as that the claimed invention was known or used by others, on sale, or in public use." *Ingenico*, 136 F.4th at 1366.

Ingenico thus permits Petitioner to use the same prior art references raised in the Petition in the EDTX-Litigation not only as evidence but also as a prior art

reference in a ground that could not be raised in this IPR. For example, under *Ingenico*, Petitioner can present in EDTX-Litigation an invalidity ground based on the GR-1230 System and in view of Omichi. Per *Ingenico*'s express holding, IPR estoppel does not apply to such a ground as it could not be raised in the IPR because the GR-1230 System is system art.

Accordingly, in view of *Ingenico* as well as Petitioner's express statements as well as its invalidity charts, Petitioner's *Sotera*-style stipulation does not materially reduce overlap between this IPR and the EDTX-Litigation, as required by the Board. The Board should exercise its discretion to deny institution in this case.¹⁴

E. Factor 5: Petitioner is the Defendants in the EDTX-Litigation

Fintiv factor 5 weighs in favor of exercising discretionary denial because the parties are the same in both proceedings. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15, 15 (P.T.A.B. May 13, 2020).

¹⁴ The relevant inquiry under *Sotera* is not whether estoppel applies—it is whether the stipulation adequately mitigates “concerns of duplicative efforts and potentially conflicting decisions,” thereby ensuring the IPR serves as a “true alternative” to litigation. Thus, that estoppel does not apply under *Ingenico*, even with Petitioner's *Sotera*-style stipulation, only underscores the insufficiency of that stipulation to satisfy the very concerns *Sotera* was meant to address.

F. Factor 6: Other Circumstances That Impact the Board’s Exercise of Discretion, Including the Merits

1. Petitioners excessively rely on expert testimony

The Board’s April 25, 2025 FAQs about the discretionary denial process expressly state “*extensive reliance on expert testimony ... may suggest that the questions are better resolved in an Article III court.*” April 25, 2025 FAQs, Q.21. The Board emphasized the statutory requirement that “petitions [must] be based on prior art patents and printed publications.” *Id.* The Board pronounced that to the extent a petitioner relies on expert testimony, the testimony must be “focused ... to provid[ing] helpful context or [] explain[ing] terms of art.” Importantly, “*failure to provide focused expert testimony may weigh against institution.*” *Id.* The Petition commits exactly the errors warned of by the Board through its inappropriate reliance on deficient expert testimony.

a) Petitioners’ expert testimony is not focused to providing helpful context

Petitioners’ expert testimony is not “focused ... to provid[ing] helpful context.” Petitioners’ 67-page-long expert declaration for their 61-page Petition is not “focused expert testimony.” Nor does it provide helpful context. Petitioners cite to Omichi 93 times, whereas Petitioners cite their expert’s testimony to support their limitation-by-limitation analysis 120 times. In fact, contrary to the Board’s direction that “it is not necessary for an expert to explain every aspect of the prior art” (April

25, 2025 FAQs, Q.21), Petitioners' expert testimony engages in a limitation-by-limitation obviousness analysis of the claims, and fills shortcomings in the prior art using only conclusory statements. In other instances, Petitioner's purported expert declaration (in portions clearly drafted by a different author than Dr. Min) reflects pure duplication of Petitioner's briefing rather than proper expert opinion. In fact, paragraphs 54-140 of the Min Declaration (Ex.1003) are in large part *verbatim* copies of the contents of Petition pages 25-58, with significant portions of the discrepancies between the two reflecting only differences in the extent of block quote citations to Omichi. *See generally* Ex.2055. The Min Declaration is not focused on providing "helpful context" but is rather duplicative of Petitioners' briefing efforts and an attempt to get an expert to reiterate the Petition.

b) Petitioner's expert testimony is internally inconsistent, including as to the presence of the '859 Patent's "superimposing" limitation in Petitioner's art.

The expert testimony relied on by the petition is internally inconsistent about the scope of Omichi's disclosures and contradicts itself regarding which limitations Omichi allegedly discloses. Of particular importance, in view of Omichi's and the petition's substantive deficiencies with respect to the "superimposing" element of the '859 Patent (*See infra*), the expert testimony (and the Petition, which largely duplicates it verbatim) is inconsistent about the nature of Omichi's disclosures relating to this claim element.

In paragraph 50 of his declaration, Dr. Min states that “[b]y comparing bits to see if they are both a ‘1,’ Omichi’s system is performing an AND operation” (Ex.1003, ¶50) (copied verbatim at Petition p. 35). On its own, this statement mischaracterizes and misstates the scope of Omichi’s disclosures, which do not specify any particular method, mechanism or means of such comparison. *Cf.* Ex 1005 at [0040] (specifying only that “the used ring link table that corresponds to the virtual path number that was specified in step S2 is **compared** against the ring link failure table, and a determination is made as to whether or not there are bits having the same bit number and whose contents are both “1” (S4)”) (emphasis added).

Tellingly, Dr. Min walks back the statement that “Omichi’s system is performing an AND operation” later in his declaration, stating instead that “a **POSITA would have understood** that comparing bits in the manner described by Omichi is **effectively** performing a Boolean AND operation.” (Ex.1003 ¶91) (emphasis added). This statement is a significant (and inconsistent) walking back of the unqualified statements in ¶50, invoking both the alleged understanding of a POSITA and claiming that Omichi “effectively” performs a Boolean AND operation rather than stating that this disclosure is within the scope of the asserted art.

This inconsistency highlights a core deficiency in both the expert testimony relied on and the parallel Petition arguments. Despite conceding the lack of any explicit disclosure of an AND operation in Omichi (“a **POSITA would have**

understood that . . . Omichi is effectively performing a Boolean AND operation...” (Ex.1003, ¶91) (emphasis added) Dr. Min does not state that Omichi renders such an AND operation or the claim element of “superimposing” allegedly met by such an operation obvious,¹⁵ instead trying to paper over the deficiencies in the reference by incorrectly suggesting that alleged parity in comparison outcomes is the same as the means of achieving that outcome claimed in ‘859 Patent. This is a misleading sleight of hand: the ‘859 Patent does not claim the general concept of comparing bits (which may be accomplished in any number of ways) but specifically claims “superimposing the general and specific masks in order to determine a disposition of the flow.” Ex.1001, Claim 1. Dr. Min tries to draw an analogy by suggesting that Omichi’s “comparisons” are “just like” a Boolean AND operation based on alleged similarity in outcomes Ex.1003 at ¶91 (“The only outcome of “true”

¹⁵ While the Petition and Min Declaration conclusorily state that the entire claim limitation “superimposing the general and specific masks in order to determine a disposition of the flow” is rendered obvious by Omichi (Ex.1003, ¶88), it is clear that the Petition is premised on “superimposing” being expressly disclosed in Omichi rather than merely rendered obvious thereby. Ex.1003, ¶ 82 (“Omichi’s comparing of both the ring link failure table and the used ring link table is within the scope of “*superimposing*” as recited in claim 1.”).

from the AND operation is when the two inputs P and Q are both true (i.e., both logic “1”), **just like how** Omichi is trying to identify whether or not there is a ring link failure (condition “P”) AND whether or not the failed link is part of the path of data flow (condition “Q”)” (emphasis added).¹⁶ But such alleged parity in

¹⁶ Dr. Min’s expert testimony also inappropriately conflates the outcome of a **logical** Boolean comparison (e.g., whether two propositions P and Q are both true) with the specific computational operation of **bitwise** operations (e.g., whether the respective third bits of two unsigned integers are both ‘1’) described in the ‘859 Patent specification and covered by the independent claims as reflected in the claimed “superimposition” of the “general mask” and “specific mask”. Cf. Ex.1003, ¶50 (“By comparing bits to see if they are both a ‘1,’ Omichi’s system is performing an AND operation. See also, IEEE Dictionary, 37 (‘AND (mathematics of computing) A Boolean operator having the property that if P is a statement, Q is a statement, R is a statement, ... , then the AND of P,Q,R, . . . is true if and only if all statements are true.’”).

As Dr. Min is surely aware given his background, the concepts of Boolean *logical* comparison of propositions P and Q and specific *bitwise* comparisons of bit sequences are in fact distinct in the computing arts and are represented by different operators in source code (e.g. “&&” for logical conjunction and “&” for bitwise

comparison outcomes is not enough. The alleged *outcome* of a comparison is not what the '859 Patent claims: the '859 Patent claims the *specific way by which such an outcome is accomplished* (i.e. *superimposing* the general and specific masks), which is not disclosed in Omichi, nor even specifically alleged to be rendered obvious thereby in either Dr. Min's declaration or the petition. These inconsistencies in Petitioners' expert testimony belie the petition's theory of invalidity and highlight the deficiencies of the asserted art and the petition itself.

c) Petitioner's expert testimony improperly substitutes the knowledge of a POSITA for the disclosures of Omichi

The statement in ¶91 of Dr. Min's declaration, that "a **POSITA would have understood that** . . . Omichi is **effectively** performing a Boolean AND operation..." (Ex.1003, ¶91) also improperly uses the knowledge of a POSITA to supply a missing claim element by acknowledging the lack of express disclosure in Omichi without suggesting that any such disclosure is inherent. Per the Board's recent guidance, this is impermissible. *See, e.g.* July 31, 2025 Memorandum regarding Enforcement and

conjunction). Contrary to Dr. Min and the Petition's attempt to elide the distinction, the '859 Patent relates only to bitwise operations, not to abstract logical operations nor (as in Omichi) to comparisons generally (whether or not such comparisons relate to bits).

Non-Waiver of 37 C.F.R. § 42.104(B)(4) And Permissible Uses of General Knowledge in *Inter Partes* Reviews. (“As a practical matter, enforcement of Rule 104(b)(4) means that applicant admitted prior art (AAPA), expert testimony, common sense, and other evidence that is not "prior art consisting of patents or printed publications" (collectively, "general knowledge") may not be used to supply a missing claim limitation.”).

2. The Petition lacks merit

“A full merits analysis is not necessary as part of deciding whether to exercise discretion not to institute, but rather the parties may point out, as part of the factor-based analysis, particular ‘strengths or weaknesses’ to aid the Board in deciding whether the merits tip the balance.” *Fintiv*, IPR2020-00019, Paper 15 at 15. But even “compelling merits alone is not dispositive in making the [*Fintiv*] assessment.” March 24, 2025 Memo at 3; *see also Nokia Of America Corp. v. Pegasus Wireless Innovation LLC*, IPR2025-00036, Paper 14, 17-18 (P.T.A.B. Apr. 25, 2025) (“We determine that the strength of the merits of Petitioner’s patentability challenges based on R3-173152, ... weighs against exercising discretion to deny institution of inter partes review. However, we determine that resolution of all of the disputes based on all of the issues between the parties regarding the challenged patent before the district court, which likely would occur many months before a subset of the issues could be resolved before the Board, would be more efficient and, therefore,

weighs in favor of exercising discretion to deny institution of inter partes review. In sum, *we determine that the strength of the merits is obviated by the efficiency and timeliness of the parallel district court proceeding and, therefore, determine that considerations of the sixth Fintiv factor are neutral.*"). Accordingly, the Board need not engage in assessment of merits, because given the strength of other factors and considerations suffice for *Fintiv* purposes. If, however, the Board considers assessment of merits in its holistic approach to *Fintiv*, the Petition is weak.

a) Petitioner’s sole reference does not teach or suggest at least the ‘859 Patent’s “superimposing the general and specific masks” limitation.

Substantively, and without waiver of Quicker Connections’ right to raise other deficiencies, the petition at a minimum fails to establish that the claimed general mask and specific masks are “superimposed” as claimed in the ‘859 Patent. *See* Ex.1001, Claim 1 (“superimposing the general and specific masks in order to determine a disposition of the flow.”), Claim 7 (“superimpose the general and specific masks in order to determine a disposition of the flow.”).

As relevant to the Petition,¹⁷ in the ‘859 Patent, a POSITA would understand that setting the value of particular mask bits in the general and specific masks and

¹⁷ “Superimposing” potentially also encompasses operations such as adding the masks together (for example, adding the general mask of link failures to the specific

then “superimposing” them refers to using a *bitwise* operation (such as AND, OR, or XOR) to overlay one mask on top of another to create a new sequence of bits. In particular, for the two masks to be “superimposed,” all the bits of the respective masks must be overlaid (i.e., one mask *superimposed* on the other) rather than such bits being compared bit-by-bit in serial. *See also, e.g.*, Ex.1001, Claim 2 (“A method according to claim 1, wherein superimposing the masks comprises **combining** the masks **by means of a Boolean operation.**”)

Omichi, by contrast to the ‘859 Patent, refers only to “comparing” the “tables” of route information Ex.1005, [0040]. The Petition argues conclusorily that “Omichi’s comparing of both the ring link failure table and the used ring link table is within the scope of “superimposing” as recited in claim 1” (Petition, 35). This glib argument ignores any number of means by which comparisons may be accomplished that do not involve superimposition. It also ignores the use of the term “table” entries

mask of the intended data path will result in in no change to the specific mask if and only if the general mask comprises all zeroes). However, PO understands the Petition to suggest that only an “AND” operation is implicated by the Petition’s reliance on Omichi. PO reserves the right to adopt a more fulsome position on claim construction in any Patent Owner’s Preliminary Response or other filings (such as claim construction in District Court) as applicable.

as recited by Omichi, as the term “table” is suggestive to a POSITA of comparing items *one element at time* rather than in parallel.

For example, the following code (in a language such as C or C#) compares the “tables” of Omichi bit by bit *without superimposing* them or using a bitwise Boolean operator (such as AND (“&”) or OR (“|”)), and if implemented would facilitate comparing bits for equality while also making clear precisely which bit of the general and specific masks are both “1” (i.e., which link has both failed and is in the proposed working path of Omichi):

```
for(int i = 0; i < Omichi_table_length; i++)
{
    uint link_failure_status_bit =
        (ring_link_failure_table >> i) % 2;
    uint desired_working_path_bit =
        (used_ring_link_table >> i) % 2;
    if (link_failure_status_bit == 1 &&
        desired_working_path_bit == 1){
        // desired path has a link failure at
        // bit i - take appropriate action
        use_alternative_path();
    }
    break;
}
```

}

As is clear from the above, the mere presence of a “comparison” in Omichi does not—contrary to the Petition’s claims—equate to the claimed superimposition (bitwise Boolean operations) of the ‘859 Patent. Such a comparison could be accomplished in any number of alternative ways and the Petition’s argument to the contrary is misleading and inaccurate in an attempt to paper over Omichi’s deficient disclosure only of a *comparison* but not of the *superimposition* claimed in the ‘859 Patent.

Omichi’s failure to teach the use of bitwise operations is not merely aesthetic: the ‘859 Patent’s claimed superimposition (including bitwise operations) operates in parallel and at high efficiency on an appropriate data structure in an environment (i.e., networking) in which low latency is particularly important and valuable. (*See, e.g.,* the title of the ‘859 Patent, “Fast protection in ring topologies.”). Omichi fails to either teach or suggest this advantage, and thus the petition fails establish a reasonable likelihood that the challenged claims are unpatentable.

G. Holistic Assessment of *Fintiv* Factors and Considerations Weighs in Favor of Denying Institution

On balance, the evidence of record favors exercising discretion to deny institution of this IPR on *Fintiv* grounds.

V. CONCLUSION

For the foregoing reasons, PO respectfully requests that the Director that discretionarily deny institution of this IPR Petition against the '859 Patent.

Date: August 25, 2025

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CERTIFICATE OF WORD COUNT

Pursuant to 37 C.F.R. §42.24(d), the undersigned hereby certifies that the foregoing Patent Owner's Discretionary Denial Brief contains 11,222 words using the word count feature of Microsoft Word.

Date: August 25, 2025

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CERTIFICATE OF SERVICE

I hereby certify that on August 25, 2025, I caused a true and correct copy of the foregoing Patent Owner's Discretionary Denial Brief to be served via electronic mail upon the following attorneys of record for the Petitioner:

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