

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

MICROSOFT CORPORATION and AT&T SERVICES, INC.,  
Petitioners,

v.

LEMKO CORPORATION,  
Patent Owner.

---

Case IPR2025-01142  
U.S. Patent No. 8,310,990

---

**PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL**

**TABLE OF CONTENTS**

|                                                                                                                                                                                         | <b>Page</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| I. INTRODUCTION .....                                                                                                                                                                   | 1           |
| II. THE DIRECTOR SHOULD DENY THE PETITION .....                                                                                                                                         | 3           |
| A. The Parties’ Strong Settled Expectations Favor Denial.....                                                                                                                           | 3           |
| 1. The Parties’ Expectations are Settled Because the<br>’990 Patent Issued Over Twelve Years Ago.....                                                                                   | 3           |
| 2. The Parties’ Expectations are Settled in View of<br>Petitioner’s Longstanding Knowledge of Lemko’s<br>Patented Technology.....                                                       | 4           |
| 3. Lemko Invested Substantial Resources in Products Based<br>on its Patented Inventions .....                                                                                           | 7           |
| 4. The Challenged Claims are Not Substantially Similar to<br>Claims Previously Found Anticipated .....                                                                                  | 9           |
| B. The Director Should Deny Institution Under <i>Fintiv</i> .....                                                                                                                       | 10          |
| 1. <i>Fintiv</i> Factor 1: Petitioners have not sought a stay in the<br>District Court Action and any such motion is unlikely to<br>be granted.....                                     | 10          |
| 2. <i>Fintiv</i> Factor 2: The projected jury trial date is earlier<br>than the projected date for issuance of a Final Written<br>Decision .....                                        | 12          |
| 3. <i>Fintiv</i> Factor 3: The parties will expend significant<br>resources in the co-pending litigation prior to the date<br>when the Board will issue a decision on institution ..... | 13          |
| 4. <i>Fintiv</i> Factor 4: There is significant overlap in the issues<br>between the instant Petition and the co-pending litigation.....                                                | 14          |

Patent Owner’s Request for Discretionary Denial  
IPR2025-01142 (U.S. Patent No. 8,310,990)

|      |                                                                                                                                                                               |    |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| 5.   | <i>Fintiv</i> Factor 5: The parties to the parallel co-pending litigation and this proceeding are the same.....                                                               | 15 |
| 6.   | <i>Fintiv</i> Factor 6: The Petition does not present meritorious challenges warranting use of the Board’s limited resources.....                                             | 15 |
| C.   | The Director Should Deny Institution Under 35 U.S.C. § 325(d) .....                                                                                                           | 15 |
| 1.   | <i>Advanced Bionics</i> Step One: The Board Already Rejected Microsoft’s Arguments that Hardware-Based Network Appliances Satisfy the Computer-Readable-Media Limitation..... | 15 |
| 2.   | <i>Advanced Bionics</i> Step Two: Petitioners Cannot Demonstrate Material Error by the Board .....                                                                            | 19 |
| III. | CONCLUSION.....                                                                                                                                                               | 20 |

**TABLE OF AUTHORITIES**

|                                                                                                                                                                                                             | <b>Page(s)</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>Cases</b>                                                                                                                                                                                                |                |
| <i>Amazon.com, Inc. v. KAIFI LLC</i> ,<br>No. IPR2025-00624, Paper 16 (P.T.A.B. July 29, 2025) .....                                                                                                        | 12             |
| <i>Amgen Inc. v. Bristol-Myers Squibb Co.</i> ,<br>No. IPR2025-00601, Paper 9 (P.T.A.B. July 24, 2025) .....                                                                                                | 7, 8, 12       |
| <i>Apple Inc. v. Fintiv, Inc.</i> ,<br>No. IPR2020-00019, Paper 11 (P.T.A.B. Mar. 20, 2020) .....                                                                                                           | <i>passim</i>  |
| <i>Cal. Inst. of Tech. v. Samsung Elecs. Co.</i> ,<br>No. 21-cv-00446-JRG, Dkt. No. 108 (E.D. Tex. Jan. 20, 2023) .....                                                                                     | 12             |
| <i>Dabico Airport Sols. Inc. v. AXA Powers ApS</i> ,<br>No. IPR2025-00408, Paper 21 (P.T.A.B. June 18, 2025) .....                                                                                          | 3              |
| <i>Force Mos Tech., Co. v. ASUSTek Comput., Inc.</i> ,<br>No. 2:22-CV-00460-JRG, 2024 WL 1586266 (E.D. Tex.<br>Apr. 11, 2024) .....                                                                         | 11             |
| <i>Fromson v. Anitec Printing Plates, Inc.</i> ,<br>132 F.3d 1437 (Fed. Cir. 1997) ( <i>abrogated on other grounds by</i><br><i>Cybor Corp. v. FAS Techs., Inc.</i> , 138 F.3d 1448 (Fed. Cir. 1998)) ..... | 18             |
| <i>Google LLC v. SoundClear Techs., LLC</i> ,<br>No. IPR2025-00344, Paper 15 (P.T.A.B. Aug. 4, 2025) .....                                                                                                  | 4              |
| <i>Microsoft Corp. v. Lemko Corp.</i> ,<br>No. IPR2023-00530, Paper 8 (P.T.A.B. Sept. 25, 2023) .....                                                                                                       | 2, 3, 9, 16    |
| <i>Netlist, Inc. v. Samsung Elecs. Co.</i> ,<br>No. 2:22-CV-00293-JRG, 2024 WL 6043769 (E.D. Tex.<br>Mar. 11, 2024) .....                                                                                   | 12             |
| <i>Next Caller, Inc. v. TRUSTID, Inc.</i> ,<br>No. IPR2019-00961, Paper 10 (P.T.A.B. Oct. 16, 2019) .....                                                                                                   | 14             |

Patent Owner’s Request for Discretionary Denial  
IPR2025-01142 (U.S. Patent No. 8,310,990)

|                                                                                                                                 |    |
|---------------------------------------------------------------------------------------------------------------------------------|----|
| <i>Nintendo Co., Ltd. v. Resonant Sys., Inc.,</i><br>No. IPR2025-00680, Paper 18 (P.T.A.B. Aug. 14, 2025).....                  | 10 |
| <i>Resonant Sys., Inc. v. Sony Grp. Corp.,</i><br>No. 2:22-cv-00424-JRG, Dkt. No. 84 (E.D. Tex. July 9, 2024) .....             | 11 |
| <i>Samsung Elecs. Co. v. Genghiscomm Holdings, LLC,</i><br>No. IPR2025-00780, Paper 11 (P.T.A.B. Aug. 14, 2025).....            | 10 |
| <i>Samsung Elecs. Co. v. Secure Wi-Fi LLC,</i><br>No. IPR2024-01367, Paper 10 (P.T.A.B. Mar. 24, 2025).....                     | 13 |
| <i>Sandisk Techs. Inc. v. Polaris PowerLED Techs., LLC,</i><br>No. IPR2025-00515, 2025 WL 1953637 (P.T.A.B. July 16, 2025)..... | 4  |

**Statutes**

|                |          |
|----------------|----------|
| 35 U.S.C.      |          |
| § 314(a) ..... | 10       |
| § 325(d).....  | 2, 9, 15 |

**Other Authorities**

|                                                 |    |
|-------------------------------------------------|----|
| 37 C.F.R. § 42.104(b)(4).....                   | 18 |
| USPTO Guidance Memorandum (Mar. 24, 2025) ..... | 13 |

**PATENT OWNER'S EXHIBIT LIST**

| <b>Exhibit</b> | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2001           | Decision Denying Institution of <i>Inter Partes</i> Review, <i>Microsoft Corp. v. Lemko Corp.</i> , IPR2023-00530, Paper 8 (P.T.A.B. Sep. 25, 2023)                                                                                                                                                                                                                                                               |
| 2002           | Petition for <i>Inter Partes</i> Review, <i>Microsoft Corp. v. Lemko Corp.</i> , IPR2023-00530, Paper 3 (P.T.A.B. Feb. 14, 2023)                                                                                                                                                                                                                                                                                  |
| 2003           | Patent Owner's Preliminary Response, <i>Microsoft Corp. v. Lemko Corp.</i> , IPR2023-00530, Paper 7 (P.T.A.B. June 30, 2023)                                                                                                                                                                                                                                                                                      |
| 2004           | Excerpts from the Complaint for Patent Infringement, <i>Lemko Corp. v. AT&amp;T Inc.</i> , No. 25-cv-00305-JRG, Dkt. No. 1 (E.D. Tex. Mar. 17, 2025)                                                                                                                                                                                                                                                              |
| 2005           | Email between Lemko and AT&T, dated September 26, 2013                                                                                                                                                                                                                                                                                                                                                            |
| 2006           | Email between Lemko and AT&T, dated September 13, 2013                                                                                                                                                                                                                                                                                                                                                            |
| 2007           | Email between Lemko and AT&T, dated October 14, 2013 (Exhibit 23 to Complaint for Patent Infringement, <i>Lemko Corp. v. AT&amp;T Inc.</i> , No. 25-cv-00305-JRG, Dkt. No. 1 (E.D. Tex. Mar. 17, 2025))                                                                                                                                                                                                           |
| 2008           | Network Functions Virtualisation – Introductory White Paper, dated Oct. 22-24, 2012, available at <a href="https://portal.etsi.org/NFV/NFV_White_Paper.pdf">https://portal.etsi.org/NFV/NFV_White_Paper.pdf</a>                                                                                                                                                                                                   |
| 2009           | Dyton, J., “Lemko solutions keep connectivity alive regardless of the circumstances,” dated July 16, 2020, available at <a href="https://connectedremag.com/das-in-building-wireless/wireless/lemko-solutions-keep-connectivity-alive-regardless-of-the-circumstances/">https://connectedremag.com/das-in-building-wireless/wireless/lemko-solutions-keep-connectivity-alive-regardless-of-the-circumstances/</a> |

Patent Owner's Request for Discretionary Denial  
IPR2025-01142 (U.S. Patent No. 8,310,990)

| Exhibit | Description                                                                                                                                                                                                                                                           |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2010    | Declaration of Todor Cooklev, Ph.D., <i>Microsoft Corp. v. Lemko Corp.</i> , IPR2023-00530, Ex. 2001, filed June 30, 2023                                                                                                                                             |
| 2011    | Lemko.com - Lemko's Fundamental Architecture, last visited June 5, 2023, available at <a href="https://www.lemkocorp.com/solutions/">https://www.lemkocorp.com/solutions/</a>                                                                                         |
| 2012    | The Wayback Machine – InterWAVE, GSM/GPRS Products, captured Dec. 4, 2003, available at <a href="https://web.archive.org/web/20031204132701/http://iww.com.gsm_products.html#nib">https://web.archive.org/web/20031204132701/http://iww.com.gsm_products.html#nib</a> |
| 2013    | “AT&T Vision Alignment Challenge Technology Survey,” AT&T Domain 2.0 Vision White Paper, dated Nov. 13, 2013                                                                                                                                                          |
| 2014    | Declaration of Shaowei Pan in Support of Patent Owner's Response, <i>Microsoft Corp. v. Lemko Corp.</i> , IPR2023-00529, Ex. 2023, filed December 21, 2023                                                                                                            |
| 2015    | Order, <i>Cal. Inst. of Tech. v. Samsung Elecs. Co.</i> , Case No. 2:21-cv-00446-JRG, Dkt. No. 108 (E.D. Tex. Jan. 20, 2023)                                                                                                                                          |
| 2016    | Order, <i>Resonant Sys. Inc., v. Sony Group Corp.</i> , Case No. 2:22-cv-00424-JRG, Dkt. No. 84 (E.D. Tex. July 9, 2024)                                                                                                                                              |
| 2017    | Docket Navigator – Motion to Stay Pending Inter Partes Review search results, Judge Rodney Gilstrap, dated September 3, 2025                                                                                                                                          |
| 2018    | First Amended Docket Control Order, <i>Lemko Corp. v. AT&amp;T Inc.</i> , Case No. 2:25-cv-00305-JRG, Dkt. No. 46 (E.D. Tex. Aug. 4, 2025)                                                                                                                            |
| 2019    | Excerpt from U.S. District Court – National Judicial Caseload Profile Federal for the Eastern District of Texas, dated Sept. 30, 2019 through Sept. 30, 2024                                                                                                          |

Patent Owner's Request for Discretionary Denial  
IPR2025-01142 (U.S. Patent No. 8,310,990)

| <b>Exhibit</b> | <b>Description</b>                                                                                                                                                                                                                                                                                                                                           |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2020           | Appendix D-2 to Lemko's Disclosure of Asserted Claims and Infringement Contentions, <i>Lemko Corp. v. AT&amp;T Inc.</i> , served on July 23, 2025                                                                                                                                                                                                            |
| 2021           | Qazi, Zafar, et al., "A Framework to Quantify the Benefits of Network Functions Virtualization in Cellular Networks," dated June 21, 2014                                                                                                                                                                                                                    |
| 2022           | Savic, Zeljko, "LTE Design and Deployment Strategies," Cisco, dated 2011                                                                                                                                                                                                                                                                                     |
| 2023           | Cisco.com, "Cisco PGW Packet Data Network Gateway," last visited July 28, 2025, available at <a href="https://www.cisco.com/c/en/us/products/wireless/pgw-packet-data-network-gateway/index.html">https://www.cisco.com/c/en/us/products/wireless/pgw-packet-data-network-gateway/index.html</a>                                                             |
| 2024           | "The Evolution of Mobile Technologies: 1G, 2G, 3G, 4G LTE," Qualcomm, dated June 2014                                                                                                                                                                                                                                                                        |
| 2025           | Cisco.com, "ASR 5000 Installation Guide," dated March 29, 2016, available at <a href="https://www.cisco.com/c/en/us/td/docs/wireless/asr_5000/platform/Install-ASR5K/b_ASR5K_Install/b_ASR5K_Install_chapter_0101.html">https://www.cisco.com/c/en/us/td/docs/wireless/asr_5000/platform/Install-ASR5K/b_ASR5K_Install/b_ASR5K_Install_chapter_0101.html</a> |
| 2026           | U.S. Patent 8,184,603 ("Waylett")                                                                                                                                                                                                                                                                                                                            |

Patent Owner ("Lemko") respectfully requests that the Director discretionarily deny the Petition of AT&T Services, Inc. ("AT&T") and Microsoft Corporation ("Microsoft") (together, "Petitioners") for *inter partes* review of U.S. Patent No. 8,310,990 (Ex. 1001, the "'990 Patent"). This request for discretionary denial is authorized by the "Interim Processes for PTAB Workload Management" and "Interim Director Discretionary Process."

## **I. INTRODUCTION**

Lemko is a commercial network solution company founded in 2004. At that time, cellular networks used a hierarchical architecture, where calls were carried from cell towers to centralized regional call centers over expensive backhaul connections. The regional call centers relied on custom hardware to manage and route calls for an entire region. This expensive, inflexible mobile architecture made it economically infeasible to extend mobile networks to rural areas where the number of expected subscribers could not justify the cost of new hardware installations.

Years ahead of its competitors, including Petitioners, Lemko developed a new paradigm for cellular network architecture based on decentralized networks with distributed call-management functionality. Lemko conceived of a virtual core to manage calls, which was implemented in software that distributed the switching functions, call set-up, call termination, and routing. Lemko's virtual core servers could form a peer-to-peer, distributed mobile architecture (DMA) network.

Lemko met with AT&T in 2013 and demonstrated its DMA technology, informed AT&T of its patents—including the '990 Patent—and offered to partner with AT&T. AT&T praised Lemko's innovations as a "radical design that" AT&T "should look at," but decided not to partner with Lemko, license its patents, or even challenge their validity. More than a dozen years after AT&T's meetings and the issuance of the '990 Patent and long after Lemko commenced an infringement action against AT&T, it has now decided to challenge Lemko's '990 Patent. The Director should exercise her discretion to deny this Petition for multiple reasons.

*First*, the parties' strong settled expectations weigh heavily in favor of discretionary denial because Lemko's '990 Patent has been in force for over twelve years and Lemko disclosed its DMA technology and the '990 Patent to AT&T more than twelve years ago. In the meantime, Lemko has been forced to compete in the market against its own technology through AT&T's infringement.

*Second*, the *Fintiv* Factors strongly favor denying institution. The parties are engaged in litigation in the Eastern District of Texas involving the '990 Patent (the "District Court Action"). That case is scheduled for trial before the Final Written Decision ("FWD") will issue in this proceeding and is highly unlikely to be stayed.

*Third*, the Petition should be denied under 35 U.S.C. § 325(d) because it depends on an argument that is substantially similar to one the Board already rejected in Petitioner Microsoft's previous IPR. Ex. 2001, *Microsoft Corp. v. Lemko Corp.*,

No. IPR2023-00530, Paper 8 at 14-24 (P.T.A.B. Sept. 25, 2023) (denying institution). In that case, the Board determined that Claim 1 of U.S. Patent No. 7,548,763 was patentable because the prior art reference, Waylett (Ex. 2026, Waylett), disclosed hardware-based network appliances, not “computer readable medium” for implementing networks virtually with software. Ex. 2001 at 19-21. Flore, reference raised in this Petition, shares Waylett’s deficiency because the 3G and 4G networks disclosed in Flore are also hardware-based networks and do not disclose the a “computer-readable-storage medium.” As a result, Flore cannot invalidate the Challenged Claims, and institution would be a waste of the Board’s resources.

## **II. THE DIRECTOR SHOULD DENY THE PETITION**

### **A. The Parties’ Strong Settled Expectations Favor Denial**

The parties’ strong settled expectations heavily favor discretionary denial because (1) the ’990 Patent issued over twelve years ago, (2) AT&T has long had notice of the ’990 Patent, (3) Lemko invested substantial resources in the inventions of the ’990 Patent, and (4) the Challenged Claims are not substantially similar to other claims previously found anticipated.

#### **1. The Parties’ Expectations are Settled Because the ’990 Patent Issued Over Twelve Years Ago**

After twelve years, the parties’ expectations are settled. *Dabico Airport Sols. Inc. v. AXA Powers ApS*, No. IPR2025-00408, Paper 21 at 3 (P.T.A.B. June 18,

2025) (“[T]he longer the patent has been in force, the more settled expectations should be.”); *Sandisk Techs. Inc. v. Polaris PowerLED Techs., LLC*, No. IPR2025-00515, 2025 WL 1953637, at \*1 (P.T.A.B. July 16, 2025) (denying institution where patent was “in force for approximately . . . twelve years”). Despite these “strong settled expectations,” the Petition does not provide any reason why an IPR requested over twelve years after the ’990 Patent issued is an efficient use of the Board’s limited resources (*Sandisk*, 2025 WL 1953637, at \*1), and Petitioners identify no significant change in law that occurred since the ’990 Patent issued affecting their challenge. And, as discussed below, Lemko commercialized the claims of the ’990 Patent, in its various patent-practicing products. See, e.g., Ex. 2004 (Complaint) at ¶¶ 42-43 (showing ’990 Patent marking on Lemko products). In view of these longstanding settled expectations, discretionary denial is warranted.

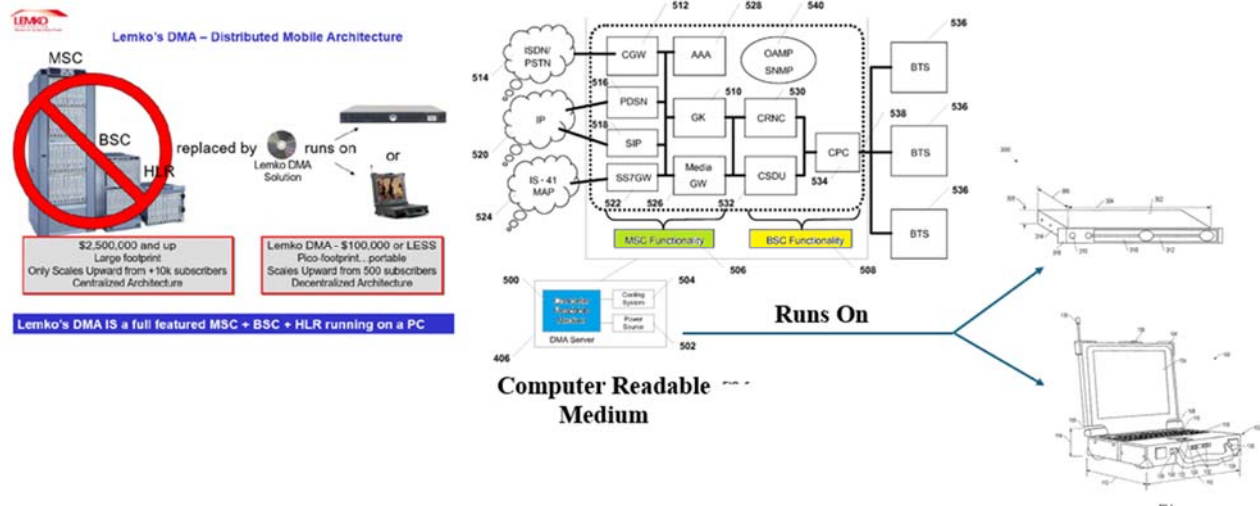
**2. The Parties’ Expectations are Settled in View of Petitioner’s Longstanding Knowledge of Lemko’s Patented Technology**

The parties’ expectations are further strongly settled because AT&T has been aware of Lemko’s technology for nearly twelve years. See *Google LLC v. SoundClear Techs., LLC*, No. IPR2025-00344, Paper 15 (P.T.A.B. Aug. 4, 2025) (petitioner’s prolonged knowledge of a patent creates strong settled expectations).

In 2012, AT&T’s Assistant Vice President, Margaret Chiosi, co-authored a whitepaper entitled “Network Functions Virtualization” (the “NFV Paper”), which proposed a change from the “classical network appliance approach” (where network

functions were implemented in hardware) to a Network Functions Virtualization (NFV) approach (which implements network functions in computer readable medium as software). Ex. 2008 at 5.

However, by then, Lemko had years earlier developed a solution to this problem with “software [that] enables all of core network functions, databases, and gateways.” Ex. 2009 at 1. As shown below, Lemko’s patented NFV solution replaces hardware-based components with a “computer readable medium” that implements network functionality in software on DMA servers:



Ex. 2010 at ¶ 48 (**left**); '990 Patent at Figs. 1, 3, 5 (annotated) (**right**).

In 2013, Lemko met with over 70 AT&T representatives, including Ms. Chiosi, at AT&T Labs to demonstrate models of its patent-practicing products. Ex. 2004, ¶ 64. Lemko informed AT&T that its Node1 product was covered by Lemko’s patents and marked with the same. *Id.* Lemko’s presentation slides reiterated that

Lemko's technology was covered by patents and included an appendix outlining families of Lemko's patents covering its products. *Id.* Lemko also explained how its technology would reduce AT&T's costs by more than seven-fold. *Id.*

After observing this demonstration, Ms. Chiosi stated that Lemko's technology had solved AT&T's problems that she outlined in her 2012 NFV Paper and praised Lemko's solution as a "radical design" that surpassed AT&T's conventional approach. Ex. 2005 at 1. Ms. Chiosi directed AT&T's employees to perform an economic study to verify the opportunity to reduce costs by implementing Lemko's inventions. *Id.* As part of this study, AT&T highlighted the distinguishing features of Lemko's technology. Ex. 2006 at 1-2. According to AT&T's investigation, Lemko's "unique differentiators of [its] distributed mobile wireless network solution" included software-based network functionality, "Peer-to-Peer Communications," and "[i]ndependent nodes that all act like one network." *Id.* These features solved problems that AT&T had identified in the NFV Paper and in another AT&T study, the "AT&T Domain 2.0 Vision White Paper." See Ex. 2008; Ex. 2013.

From 2013 through 2015, Lemko continued to present its technology to AT&T employees, including several executives, and exchanged hundreds of emails with numerous AT&T personnel. Ex. 2004, ¶¶ 70, 71. Lemko included in its emails

a list of patents covering its “products, designs and architectures” that identified sixteen U.S. patents, including the '990 Patent. *See, e.g.*, Ex. 2007 at 1.

In 2015, when AT&T was considering whether to launch a product for first responders, Lemko demonstrated to AT&T a vehicle equipped with Lemko's mobile Node1 DMA product, which Lemko marked with its patents, including the '990 Patent. Ex. 2004 at ¶¶ 43, 72. Later that year, AT&T developed its own deployable product, which closely resembles the functionality of Lemko's Node1 product. *Id.*

Thus, AT&T has long known of Lemko's '990 Patent and had every incentive to license it or challenge its validity at that time. Instead, AT&T copied Lemko's technology, forced Lemko to compete against its own technology in the marketplace, and waited more than twelve years before filing this Petition, all of which weigh in favor of discretionary denial.

### **3. Lemko Invested Substantial Resources in Products Based on its Patented Inventions**

Lemko's “investment, time, and resources dedicated to research, [and] development” that went into developing the claimed invention and Lemko's patent-practicing products further gives rise to settled expectations that favor discretionary denial. *Amgen Inc. v. Bristol-Myers Squibb Co.*, No. IPR2025-00601, Paper 9 at 2 (P.T.A.B. July 24, 2025) (explaining that the level of investment in the claimed invention can give rise to settled expectations).

At the time of Lemko's founding in 2004, the industry employed conventional, hardware-based, hierarchical networks. As noted above, these networks had significant drawbacks. After conceiving of the solutions relating to virtualized DMA networks and improvements over the then-conventional network technology, Lemko filed the application that led to the '990 Patent.

Since then, Lemko has invested considerable time, effort, and money resources into researching and developing its novel DMA infrastructure and has commercialized several products based on these inventions. For example, Lemko developed and commercialized its Node1 and Node2 product lines, which present a "complete solution" for managing broadband connectivity for mobile subscriber data services, and are key components in systems the practice its patented inventions. Ex. 2011 at 2. Lemko's Node1 product replaces conventional hardware-based network components (such as the switch (MSC)) and base station controller/radio network controller (BSC/RNC) with an internet-connected software-controlled system. Ex. 2014 at ¶ 19. Lemko's Node2 product provides signaling gateway functionality, connecting a network of Node1 units to other networks for cellular roaming support. Ex. 2011 at 7-9.

Lemko's years of investment in its inventions and patent-practicing products further strengthen the strong settled expectations favoring discretionary denial. See *Amgen Inc.*, Paper 9 at 2.

**4. The Challenged Claims are Not Substantially Similar to Claims Previously Found Anticipated**

While Petitioners contend that the Board's prior determinations support institution, the opposite is the case because the Board already rejected the foundation of the Petition. Microsoft filed four separate IPRs against Lemko's patents, in addition to this case. IPR2023-00529; IPR2023-00530; IPR2023-00531; IPR2023-00570. The Board denied institution in the -00530 and -00570 IPRs. Ex. 2001, IPR2023-00530, Paper 8 (P.T.A.B. Sept. 25, 2023); IPR2023-00570, Paper 10 (P.T.A.B. Sept. 26, 2023). In the -00529 IPR, the Board found all of Lemko's claims valid. IPR2023-00529, Paper 41 at 41 (P.T.A.B. Aug. 30, 2024). In the -00531 IPR, the Board invalidated claims 1, 3-9, and 20 of Lemko's '988 Patent as anticipated by Flore. See Ex. 1007 at 49. Lemko's appeal from the Board's decision in the -00531 IPR is currently pending before the Federal Circuit (Ex. 1009).

The Challenged Claims at issue here closely resemble those at issue in the -00530 IPR, where the Board denied institution, in that they both require the use of computer readable medium. As discussed below with respect to § 325(d), in denying institution of Microsoft's -00530 IPR, the Board already found that the recitation of a "computer readable medium" was sufficient to distinguish Lemko's software-based solutions from hardware-based network architectures and that this limitation requires implementation of key functionality in software. See § II.C, *infra*. In contrast, the Challenged Claims differ substantially from the '988 Patent claims

found anticipated by Flore in the -00531 IPR, which does not include such a limitation. *Cf. Nintendo Co., Ltd. v. Resonant Sys., Inc.*, No. IPR2025-00680, Paper 18 at 3 (P.T.A.B. Aug. 14, 2025) (finding no settled expectations because “in an *inter partes* review of a continuation patent of the challenged patent, the Board has determined claims that are substantially similar to the challenged claims to be unpatentable.”). Petitioners neither mention the Board’s earlier determinations about this issue nor point to any material error in the Board’s decisions. Thus, the Board’s resolution of Microsoft’s first wave of IPRs supports discretionary denial, not institution.

**B. The Director Should Deny Institution Under *Fintiv***

The *Fintiv* factors strongly support denial of institution under 35 U.S.C. § 314(a) because the District Court Action is scheduled for trial before a Final Written Decision (“FWD”) is expected in this case and is unlikely to be stayed.

**1. *Fintiv* Factor 1: Petitioners have not sought a stay in the District Court Action and any such motion is unlikely to be granted**

Factor 1 weighs in favor of discretionary denial because “there is insufficient evidence that the district court is likely to stay its proceeding even if the Board were to institute trial.” *Samsung Elecs. Co. v. Genghiscomm Holdings, LLC*, No. IPR2025-00780, Paper 11 at 2 (P.T.A.B. Aug. 14, 2025). Judge Gilstrap, who is presiding over the District Court Action, has routinely denied motions to stay

presented to him based on IPRs, especially when filed before institution. *See* Ex. 2016, *Resonant Sys., Inc. v. Sony Grp. Corp.*, No. 2:22-cv-00424-JRG, Dkt. No. 84 at 3 (E.D. Tex. July 9, 2024) (“[T]his Court routinely denies pre-institution motions to stay as premature.”); Ex. 2017. To the extent AT&T files a motion to stay after the January 8, 2026, institution decision deadline in this case, it is unlikely to succeed for multiple reasons.

*First*, a decision invalidating claims of the '990 Patent would not materially simplify the District Court Action because Lemko is asserting seven patents, but AT&T challenged only the '990 Patent through IPR. Ex. 2004, ¶ 35. This creates a “serious problem” because “even in a situation where the PTAB invalidates every instituted claim,” the other patents’ “asserted claims ‘would remain live in this case.’” *Force Mos Tech., Co. v. ASUSTek Comput., Inc.*, No. 2:22-CV-00460-JRG, 2024 WL 1586266, at \*4 (E.D. Tex. Apr. 11, 2024) (citation omitted). Judge Gilstrap, therefore, would have no reason to stay the District Court Action in favor of this IPR. *Id.* (“In short, the Court still has a case to try regardless of the outcome of the IPRs.”). In addition, AT&T’s failure to provide a case-narrowing stipulation further “decreases the likelihood of simplification of the issues.” Ex. 2016, *Resonant Sys., Inc.*, Dkt. No. 84 at 3-4.

*Second*, Judge Gilstrap is likely to determine that staying the litigation pending the resolution of this case would unduly prejudice Lemko because the

parties are competitors. *See Netlist, Inc. v. Samsung Elecs. Co.*, No. 2:22-CV-00293-JRG, 2024 WL 6043769, at \*2 (E.D. Tex. Mar. 11, 2024) (“The delay caused by a stay is especially burdensome where the parties are competitors . . .”).

*Third*, Judge Gilstrap denies motions to stay where the parties have “engaged in extensive discovery” before the briefing on the motion to stay is complete. *See, e.g.*, Ex. 2015, *Cal. Inst. of Tech. v. Samsung Elecs. Co.*, No. 21-cv-00446-JRG, Dkt. No. 108 at 5 (E.D. Tex. Jan. 20, 2023) (denying a motion to stay when parties had already exchanged infringement and invalidity contentions). In the District Court Action, Lemko and AT&T will have exchanged infringement and invalidity contentions and the accompanying substantial document productions by September 17, 2025, several months before the institution decision deadline. Ex. 2018 at 5.

Accordingly, *Fintiv* Factor 1 weighs in favor of denying institution because it is unlikely that Judge Gilstrap will stay the District Court Action.

**2. *Fintiv* Factor 2: The projected jury trial date is earlier than the projected date for issuance of a Final Written Decision**

Factor 2 strongly favors discretionary denial because trial in the District Court Action is scheduled to commence on December 7, 2026, which is one month before an FWD is expected to issue in the event of institution. Ex. 2018 at 1. Engaging in a parallel IPR proceeding would raise a risk “of inconsistent outcomes and duplication of efforts resulting from . . . proceedings operating in parallel.” *Amgen Inc.*, Paper 9 at 2; *Amazon.com, Inc. v. KAIFI LLC*, No. IPR2025-00624, Paper 16

at 2-3 (P.T.A.B. July 29, 2025) (finding a one-month gap between projected trial date and Board's FWD deadline favored discretionary denial).

The median time-to-trial in the Eastern District of Texas is 21.9 months, i.e., approximately August 20, 2026, which "lends credibility to" the scheduled December 7, 2026, trial date. Ex. 2019; *Samsung Elecs. Co. v. Secure Wi-Fi LLC*, No. IPR2024-01367, Paper 10 at 12-13 (P.T.A.B. Mar. 24, 2025); *see also* USPTO Guidance Memorandum (Mar. 24, 2025) at 3 ("[T]he Board may consider any evidence . . . that bears on the proximity of the district court's trial date . . . including median time-to-trial statistics . . ."). Therefore, *Fintiv* Factor 2 weighs strongly in favor of the Board exercising its discretion to deny institution.

**3. *Fintiv* Factor 3: The parties will expend significant resources in the co-pending litigation prior to the date when the Board will issue a decision on institution**

Factor 3 weighs in favor of discretionary denial, taking into account "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." *Apple Inc. v. Fintiv, Inc.*, No. IPR2020-00019, Paper 11 at 9 (P.T.A.B. Mar. 20, 2020). The deadline for issuing a Decision on Institution ("DI") in this IPR is January 8, 2026. By that time, the parties will have already expended significant resources in the District Court Action, including serving infringement contentions (already served July 23, 2025), subject matter eligibility contentions and invalidity contentions (due September 17, 2025),

and the accompanying document productions. Ex. 2018 at 5. Additionally, by the January 8, 2026, DI deadline, the parties will be well into the process of developing claim construction positions and arguments, with the first deadline for exchanging proposed claim terms falling on February 10, 2026. *Id.*

In view of the parties' investment in the District Court Action and Petitioners' unexplained delay in filing the Petition, Factor 3 favors denial. *Fintiv*, Paper 11 at 11-12 & n.22 (citing *Next Caller, Inc. v. TRUSTID, Inc.*, No. IPR2019-00961, Paper 10 at 16 (P.T.A.B. Oct. 16, 2019) (weighing the petitioner's unexplained delay in filing the petition in favor of denial of the petition)).

**4. *Fintiv* Factor 4: There is significant overlap in the issues between the instant Petition and the co-pending litigation**

Factor 4 supports discretionary denial because there is also significant overlap between the claims challenged here and in the co-pending litigation and Petitioner AT&T has not submitted a stipulation that "materially reduces overlap between the proceedings." Interim Process, § I.D. For example, the Petition challenges Independent Claim 1 and Claims 3-9 (which depend from Claim 1) of the '990 Patent and Lemko is asserting the independent claim and several of its dependents against Petitioner AT&T in the District Court Action. Ex. 2020, Appx. D-2 at 1, 35, 38 ('990 Patent infringement contentions). It would not be an efficient use of the Board's resources to institute review because the District Court is likely to resolve the validity of these claims before the FWD deadline in this case.

**5. *Fintiv* Factor 5: The parties to the parallel co-pending litigation and this proceeding are the same**

Factor 5 weighs in favor of exercising discretionary denial because the parties in this proceeding, which include Lemko and AT&T, are the same parties involved in the District Court Action. *Fintiv*, Paper 11 at 13-14.

**6. *Fintiv* Factor 6: The Petition does not present meritorious challenges warranting use of the Board's limited resources**

Factor 6 weighs in favor of discretionary denial because Petitioner Microsoft already presented substantially the same issues to the Board in its prior IPRs against Lemko and the Board resolved this dispute in favor of Lemko. *See* §II.C, *infra*.

**C. The Director Should Deny Institution Under 35 U.S.C. § 325(d)**

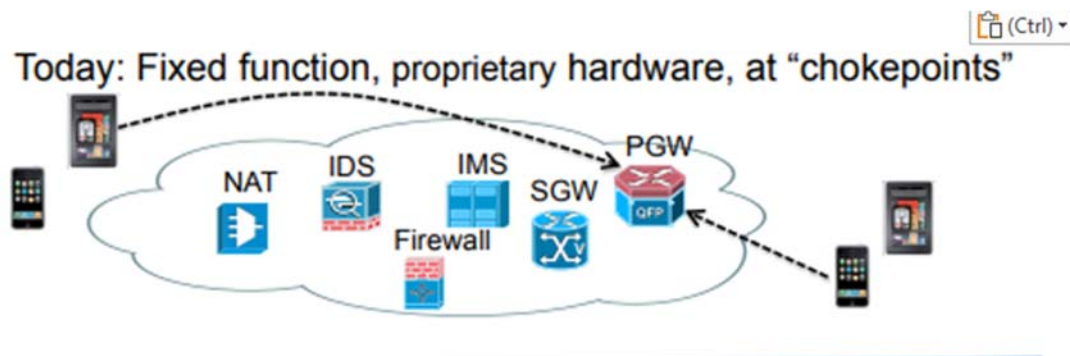
Institution should be denied because the Petition raises substantially the same failed argument that Microsoft raised in three earlier challenges to Lemko's patents.

**1. *Advanced Bionics* Step One: The Board Already Rejected Microsoft's Arguments that Hardware-Based Network Appliances Satisfy the Computer-Readable-Media Limitation**

The Board already rejected Microsoft's argument that hardware-based network appliances can satisfy the computer readable media limitation. In the -00530 IPR, Petitioner Microsoft argued that the Waylett reference disclosed a network in a box ("NIB") that necessarily "implements its components . . . **using software on a computer readable medium.**" Ex. 2002 at 13 ('763 Petition) (emphasis added). The Board disagreed, finding that "Waylett does not necessarily

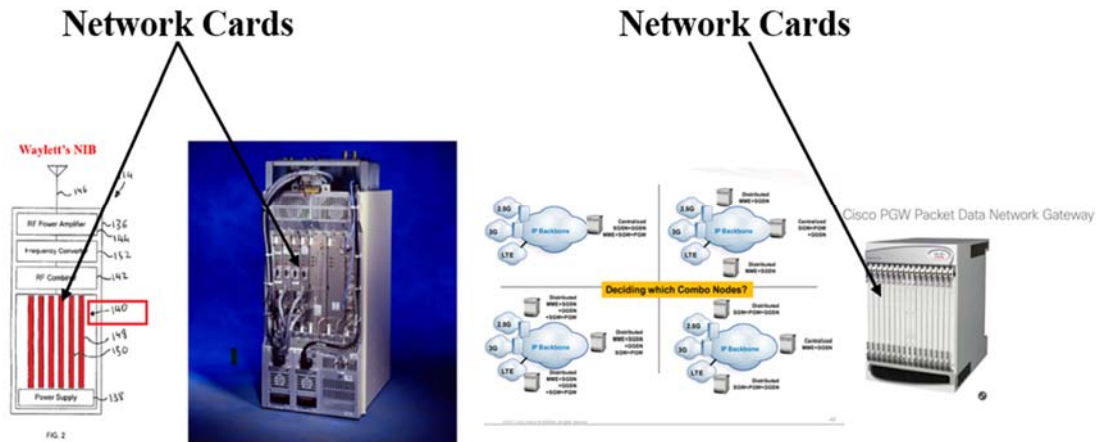
teach a computer readable medium” because “like traditional networks systems, [Waylett’s] functions are implemented in hardware.” Ex. 2001 at 19 (quoting Ex. 2003, Prelim. Resp. at 25).

Like Waylett, Flore discloses only hardware-based network technologies. Flore’s disclosed methods for routing calls between 3G and 4G networks employ traditional hardware-based components. See Flore, ¶ [0030] (“GPRS core network” (2G/3G network communications)) and Evolved Packet Core (EPC) (4G network communications); Ex. 2024 at 28. These networks deployed “expensive and inflexible **hardware** appliances which include cellular-specific functions.” Ex. 2021 at 1 (emphasis added).



*Id.*

Like Waylett’s NIB, Flore’s network appliances, such as the PGW, use hardware-based network cards rather than software stored on a computer-readable medium:



Ex. 2003 at 23-25; Ex. 2012; Ex. 2022 at 43 (depicting Cisco's PGW hardware appliance); Ex. 2023 (annotated); *see also* Ex. 2025 at 2-3 (depicting the network cards used in the PGW hardware appliance). Instead of using software on computer readable medium to implement network functionality, Flore, like Waylett, discloses a network built on hardware-based network appliances. Therefore, Flore, like Waylett, does not disclose computer readable medium.

Petitioners recognize that Flore's network architecture is implemented in hardware. The architecture, after all, concerns the type of standardized hardware network appliances referred to in the NFV Paper as "[p]otential examples" of hardware appliances that might be improved with NFV. Ex. 2008 at 6 (citing the same appliances, like the "SGSN, GGSN/PDN-GW, RNC, Node B, eNode B," referred to in Flore). Petitioners do not identify any relevant computer readable medium in Flore's disclosure. Instead, they point to a generic catchall statement at the end of Flore that states that "[t]he steps of a method or algorithm . . . disclosed

herein may be embodied directly in hardware, in a software module executed by a processor, or in a combination of the two.” Pet. at 14 (citing Flore at ¶ [0069]). This statement does not in any way enable or motivate a person of ordinary skill in the art (“POSITA”) to modify Flore’s hardware-based disclosures to obtain a software based system. Petitioners’ reliance on this passing statement in Flore is procedurally, legally, and factually deficient.

Procedurally, Petitioners’ argument violates 37 C.F.R. § 42.104(b)(4) because it does not “specify where each element of the claim is found in the prior art . . . relied upon.” Petitioners do not identify any disclosure in Flore of which if any of its network appliances could be implemented as software and how or why a POSITA would have done so. There is no such disclosure in the single, catchall sentence that Petitioners solely rely upon.

Legally, Petitioners’ reliance on this boilerplate language fails as a matter of law. In *Fromson v. Anitec Printing Plates, Inc.*, 132 F.3d 1437 (Fed. Cir. 1997) (*abrogated on other grounds by Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448 (Fed. Cir. 1998)), the Federal Circuit rejected the district court’s invalidity finding where insufficiently specific boilerplate statements formed the basis for invalidity. In *Fromson*, a boilerplate statement indicating “that other ‘suitable liquids’ can be used” was insufficiently “specific to include” the claimed liquid. *Id.* at 1447. Flore’s boilerplate is similarly insufficient to show disclosure of a “computer-readable

storage medium” because it fails to indicate which appliances and/or algorithms could or would be implemented in software.

Factually, Petitioners ignore Flore's further admonition that “[w]hether such functionality is implemented as hardware or software depends upon the particular application and design constraints imposed on the overall system.” Flore, ¶ [0067]. It was no trivial matter to transition from hardware-based to software-based networks; thus, a POSITA would recognize that Flore's statement does not even purport to solve the NFV problem. Ex. 2008. Instead, a POSITA would have considered whether the network's “particular application and design constraints” would have expressly or inherently disclosed implementing a hardware-based PGW in software rather than hardware. Flore, ¶ [0067]. Petitioners have not cleared that hurdle.

Accordingly, the Petition depends on a Microsoft argument that the Board already considered and rejected. As a result, institution should be denied.

## **2. *Advanced Bionics* Step Two: Petitioners Cannot Demonstrate Material Error by the Board**

Under Step two of *Advanced Bionics*, Petitioners cannot demonstrate that the Board materially erred in its patentability decision regarding “computer readable medium.” In the -00530 IPR, Petitioner Microsoft did not appeal or file a request for rehearing or Director Review. See *Microsoft Corp. v. Lemko Corp.*, No. IPR2023-00530. Petitioner Microsoft's inaction signified acceptance of the Board's

finding that hardware-based network appliances that operate using network cards do not execute instructions stored on a “computer-readable storage medium,” as claimed and disclosed in the patent specification. Therefore, Petitioners cannot argue now that the Board materially erred in its decision denying institution based on these findings.

### **III. CONCLUSION**

For the reasons set forth above, the Director should exercise discretion and deny institution of *inter partes* review of the '990 Patent.

Patent Owner's Request for Discretionary Denial  
IPR2025-01142 (U.S. Patent No. 8,310,990)

Dated: September 8, 2025

/s/ James Hannah

James Hannah (Reg. No. 56,369)  
HERBERT SMITH FREEHILLS  
KRAMER (US) LLP  
333 Twin Dolphin Drive, Suite 700  
Redwood Shores, CA 94065  
Telephone: (650) 752-1700  
james.hannah@hsfkramer.com

Aaron M. Frankel (Reg. No. 52,913)  
Jeffrey H. Price (Reg. No. 69,141)  
Jenna Fuller (Reg. No. 74,212)  
Jeffrey Eng (Reg. No. 63,189)  
HERBERT SMITH FREEHILLS  
KRAMER (US) LLP  
1177 Avenue of the Americas  
New York, NY 10036  
Telephone: (212) 715-7502  
aaron.frankel@hsfkramer.com  
jeffrey.price@hsfkramer.com  
jenna.fuller@hsfkramer.com  
jeffrey.eng@hsfkramer.com

*Attorneys for Patent Owner*  
Lemko Corporation

**CERTIFICATE OF SERVICE**

The undersigned certifies, in accordance with 37 C.F.R. § 42.6(e), and pursuant to agreement by the parties that filing with the Board through the Patent Trial and Appeal Case Tracking System (P-TACTS) constitutes electronic service, that service was made on Petitioners as detailed below.

|                          |                                                                                 |
|--------------------------|---------------------------------------------------------------------------------|
| <i>Date of service</i>   | September 8, 2025                                                               |
| <i>Manner of service</i> | Electronic Filing with the Board<br>(sborder@winston.com;<br>rkang@winston.com) |
| <i>Documents served</i>  | PATENT OWNER'S REQUEST FOR<br>DISCRETIONARY DENIAL                              |
| <i>Persons Served</i>    | WINSTON & STRAWN LLP<br>Scott M. Border<br>Robert N. Kang                       |

/James Hannah/  
James Hannah  
Registration No. 56,369  
Lead Counsel for Patent Owner