

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CYBERSECURE IPS, LLC
Petitioner

v.

NETWORK INTEGRITY SYSTEMS, INC.
Patent Owner

IPR2025-01441
Patent 7,706,641

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

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Pursuant to the Director’s March 26, 2025 guidance,¹ Patent Owner Network Integrity Systems, Inc. (“NIS”) respectfully submits this Request for Discretionary Denial of Institution of the Petition filed by Cybersecure IPS, LLC (“CS”) challenging U.S. Patent No. 7,706,641 (“the ’641 Patent”).

I. INTRODUCTION

Underlying CS’s Petition is a model set of facts for the Director to rely upon and exercise its discretion in denying institution so that the PTAB’s resources may be better allocated elsewhere. The ’641 Patent, entitled “Monitoring individual fibers of an optical cable for intrusion,” issued on April 27, 2010, from a provisional application filed in August 2005. The ’641 Patent has been in force for over 15 years and predates the America Invents Act.² NIS and CS shared a long standing partnership under an Exclusive Strategic Relationship Agreement, effective October 1, 2015, which fostered co-development, co-marketing, and co-commercialization of products practicing the ’641 Patent, including NIS’s InterceptorTM and VanguardTM products integrated with CS’s Cyber Secure IMS software. This partnership lasted nearly eight years, until June 23, 2023.

¹ <https://www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf> (herein, “the Workload Memo”).

² Leahy-Smith America Invents Act, Pub. Law 112-29, 125 Stat. 284 (2011).

Post-termination, NIS discovered CS's unauthorized use of technology protected by the '641 Patent and filed an infringement suit in the District of Maryland on April 7, 2025 (Case No. 8:25-cv-01974-TDC). CS responded with a separate breach-of-contract action seeking assignment of the '641 Patent (Case No. 8:25-cv-01940-TDC). A scheduling order in NIS's infringement case, issued October 6, 2025, projects a district court trial occurring before the Board's February 22, 2027 deadline for a final written decision.

Discretionary denial under 35 U.S.C. § 314(a) is warranted for at least three reasons. First, the parties' settled expectations strongly favor denial, given the patent's longevity and CS's decade-long awareness without challenge. Second, equitable considerations support denial, as CS profited from the patent's validity during the partnership. Third, the *Fintiv* factors weigh against institution.

Thus, the Director should deny institution under 35 U.S.C. § 314(a).

II. FACTUAL BACKGROUND

A. Overview of the Challenged Patent

August 2025 marked the 20th anniversary of when NIS filed the provisional application that led to the '641 Patent. *See* Ex-1001, '641 Patent, Cover (provisional application filed Aug. 3, 2005). The '641 Patent itself issued over 15 years ago, on April 27, 2010. *Id.* One novel feature disclosed is a point-to-multipoint layout of fiber optic cables, often referred to as "a hub-and-spoke

arrangement.” For example, the ’641 Patent discloses, “there is provided a plurality of cables arranged in ***a hub-and-spoke arrangement*** where a main unit in a central location feeds remote units and wherein the fibers of more than one of the cable are monitored.” *Id.*, 3:3-6. Also, the ’641 Patent also claims “***a hub-and-spoke arrangement***.” *Id.*, 8:57-60 (Claim 12).

B. Petitioner CS’s Prior Interest in the Challenged Patent

On October 1, 2015, CS and NIS entered into an Exclusive Strategic Relationship Agreement (“the ESR Agreement”). Ex-2002, 1. The ESR lasted for close to 8 years. *See* Ex-2003, 6 (termination date of June 23, 2023).

Via the ESR Agreement, NIS and CS “exclusively integrate[d] each of their respective products and services into separate Solutions....” Ex-2002, 1. The “Solutions” to be co-developed, co-marketed, and co-commercialized were defined as “the various branded NIS Products InterceptorTM or VanguardTM ... integrated with CS Product Cyber Secure IMS....” *Id.* at ¶ 1.5. The parties were successful in developing and selling the “Solutions.” *See* Ex-2004 (Product Specifications). By virtue of the ESR Agreement, CS took a license to NIS’s technology and was immune from infringing the ’641 Patent. *See* Ex-2002, ¶ 6.4 (reciting mutual grant of “worldwide, royalty-free, non-sub-licensable license” for identified interfaces between parties’ products and services used in the jointly developed products).

**C. Patent Owner NIS's Enforcement of the Challenged Patent, and
Petitioner CS's Attempt to Obtain the Challenged Patent**

After termination of the ESR Agreement, NIS learned of CS's continued but unlawful use of the technology covered by the '641 Patent. As a result, NIS filed a lawsuit in the District of Maryland alleging, *inter alia*, infringement by CS of one or more claims of the '641 Patent ("NIS's Infringement Case"). See Ex-2005, *Network Integrity Systems, Inc. v. Cybersecure IPS LLC*, Case No. 8:25-cv-01974-TDC, Complaint, Dkt. No. 1 (D. Md.; filed Apr. 7, 2025) ("NIS's Complaint"). Earlier this month, the court in that case issued a scheduling order. Ex-2006, *NIS's Infringement Case*, Dkt. No. 31 (entered Oct. 6, 2025) ("Scheduling Order").

In a separate litigation in the same court, CS recently filed claims of breach of contract, seeking relief, *inter alia*, that the court "Order NIS to assign the '641 patent" to CS. Ex-2007, *Cybersecure IPS LLC v. Network Integrity Systems, Inc.*, Case No. 8:25-cv-01940-TDC, Second Amended Complaint, Dkt. No. 24, ¶ 55 (D. Md.; filed Sept. 17, 2025) ("CS's Contract Case").

III. CS'S PETITION SHOULD BE DISCRETIONARILY DENIED

The Board's authority to deny institution under 35 U.S.C. § 314(a) is both clear and broad. The Director's March 26, 2025 guidance provides that "to facilitate [a new] bifurcated approach, the USPTO will permit parties to file separate briefing on requests for discretionary denial of institution." Workload

Memo, 2. That guidance allows patent owners to address grounds for discretionary denial including the “discretionary considerations enumerated in existing Board precedent” and “all relevant considerations” that may bear on the Director’s discretion, including several specifically identified in the guidance. *Id.* Further, the six non-exclusive factors identified in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, at 6 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”), have provided a roadmap for when the Board should decline to institute IPRs in favor of parallel district court proceedings. On March 24, 2025, the Board issued new guidance clarifying how it will apply the precedential *Fintiv* and *Sotera* decisions to parallel proceedings (“2025 *Fintiv* Guidance”).³

Here, discretionary denial is appropriate for at least three reasons: (1) the settled expectations of the parties, based on the patent being in force for over fifteen years, strongly favors discretionary denial; (2) equitable considerations support discretionary denial; and (3) the *Fintiv* factors also support denial.

A. The Settled Expectations of the Parties Strongly Weigh in Favor of Discretionary Denial

The lengthy history of the ’641 Patent and the parties’ joint development, marketing, and commercialization of patent-practicing products favor discretionary

³ https://www.uspto.gov/sites/default/files/documents/guidance_memo_on_interim_procedure_recission_20250324.pdf.

denial. *See* Workload Memo, 2 (identifying “[s]ettled expectations of the parties, such as the length of time the claims have been in force” as a factor to consider).

1. The ’641 Patent has been in force for over 15 years

The claims of the ’641 Patent issued in April 2010—over fifteen years ago. This fact alone strongly supports discretionary denial based on Patent Owner’s settled expectations. *Dabico Airport Sols. Inc. v. AXA Power APS*, IPR2025-00408, Paper 21, 2-3 (PTAB June 18, 2025) (finding eight years sufficient for creating settled expectations and explaining that “the longer the patent has been in force, the more settled expectations should be”) (“*Dabico*”); *see also Murata Manf., Co. Ltd. v. Georgia Tech. Res. Corp.*, IPR2025-00383, Paper 14, 2-3 (PTAB July 29, 2025) (finding 16 years of the challenged patent being in force to create “strong settled expectations” for patent owner) (“*Murata*”). The PTAB’s resources are better spent on more recently issued patents that do not present settled expectations, especially given the PTAB’s current workload and capacity.

2. Petitioner CS waited ten years to challenge the ’641 Patent

As the Director explained earlier this year, a “Petitioner’s awareness of Patent Owner’s applications and failure to seek early review of the patents favors denial”—even “outweigh[ing]” other considerations that might weigh against discretionary denial. *iRhythm Technologies, Inc. v. Welch Allyn, Inc.*, IPR2025-00363, Paper 10, 2–3 (PTAB June 6, 2025) (“*iRhythm*”). However, “actual notice

of a patent or of possible infringement is not necessary to create settled expectations.” *Dabico*, Paper 21, 3. Here, Petitioner CS either knew or should have known of the ’641 Patent at least ten years ago when it entered the ESR Agreement (i.e., the Exclusive Strategic Relationship Agreement). *See* Ex-2002, 1 (effective date of Oct. 1, 2015). Significantly, the co-development and co-commercialization relationship established by the ESR Agreement was not a short-term arrangement but was a long-term partnership that lasted for close to eight years. *See* Ex-2003, 6 (termination date of ESR Agreement of June 23, 2023).

By virtue of the ESR Agreement, CS knew or should have known of the ’641 Patent, as the agreement itself expressly contemplated the intellectual property rights of the parties. *See* Ex-2002, ¶¶ 6.1-6.4 (Subsection 6 entitled, “Intellectual Property Rights”). In fact, Section 6.4 provides a cross-license—each party had a license to “interface” with the other party’s “products and services”:

6.4 For the Term of the Agreement, each Party hereby grants to the other a worldwide, royalty-free, non-sub-licensable license to the other for the use of the foregoing interfaces between each party’s products and services to the other party’s products and services used in the Solution, provided that such license shall be limited to Solutions sold during the term of this Agreement and shall not apply to any other devices or periods. In the event that any further joint development is agreed upon between the parties, a separate agreement between NIS and CS shall cover such joint development and such agreement shall require the signature of the Parties Chief Executive Officer to be effective.

Id. at ¶ 6.4. Inherent within that license, was a license to any patent that covered those “products and services.” *See id.* As part of its due diligence in entering the

ESR Agreement, CS investigated or should have investigated NIS's then-existing patent portfolio to understand, for example, what patents were being licensed. If CS had performed any due diligence into NIS's patent portfolio, it would have readily found the '641 Patent, as NIS's patent portfolio as of the time the agreement was executed only consisted of about a dozen issued patents.

Further, CS knew or should have known that the "Solutions" identified in the ESR Agreement practiced the '641 Patent. NIS and CS entered into the agreement to "exclusively integrate each of their respective products and services into separate Solutions (as defined below) and jointly develop, market and sell the Solutions in the Market (as defined below) to Customers." *Id.* at 1. The "Solutions" to be co-developed and co-commercialized were "the various branded NIS Products InterceptorTM or VanguardTM ... integrated with CS Product Cyber Secure IMS...." *Id.* at ¶ 1.5. Restated, NIS's InterceptorTM and VanguardTM products were branded with "CS" (e.g., "InterceptorTM CS") to indicate co-marketing with CS. *See* Ex-2004, 1-2. *Id.* at 1-2. The Product Specifications for these products state their use of "patented hub and spoke technology":



INTERCEPTOR™



INTERCEPTOR™ CS

The INTERCEPTOR™ monitors two or more dark (spare, unused) fibers within a cable carrying classified information. INTERCEPTOR supports standard single-mode and multimode fiber optic cables and can be used to secure existing network infrastructure. Using patented hub and spoke technology, a single INTERCEPTOR utilizing one rack space can monitor up to eight continuous optical circuits (zones), providing protection for multiple remote buildings or many dozens of user drops per zone in a facility. When dark data fibers are not available, INTERCEPTOR+Plus can be used to monitor active fibers. A Remote Termination Unit (RTU) is required for each zone when using the INTERCEPTOR+Plus. Contact us for more details.

INTERCEPTOR™ CS is a bundled solution consisting of the INTERCEPTOR and CyberSecure Infrastructure Management System, a software application that provides NIS monitoring devices with the capability to centrally manage alarms, create PDS Standard Operating Procedures (SOPs), eliminate false alarms and automatically guide user responses to alarms and more.

Id. at 1; *see also id.* at 2 (describing Vanguard™ product also implemented “patented hub and spoke technology”). These product specifications are not the only place where NIS used the phrase “hub and spoke” to reference the ’641 Patent and the products that practice the patent. As another example, an NIS marketing and training presentation from 2012 included a slide discussing “NIS Innovations” indirectly references the ’641 Patent as covering “Monitor[ing] from the device to multiple end-points (point-to-multipoint) in a hub-spoke configuration”:

- **Patents Granted to Network Integrity Systems include:**
 - ✓ Using fibers within protected cables as the sensors for monitoring
 - ✓ Monitor from the device to multiple end-points (point-to-multipoint) in a hub-spoke configuration
 - ✓ Monitor single mode fibers cost effectively
 - ✓ Use of fibers carrying active data as sensors for monitoring
 - ✓ Detection of an intrusion prior to the actual tap and on adjacent fiber
 - ✓ False alarm suppression: ability to discriminate between benign day-day events and actual intrusion signatures.



Ex-2010.

Indeed, the '641 Patent discloses, “Preferably there is provided a plurality of cables arranged in **a hub-and-spoke arrangement** where a main unit in a central location feeds remote units and wherein the fibers of more than one of the cable are monitored.” Ex-1001, '641 Patent, 3:3-6. The patent even claims “providing a plurality of optical fiber cables arranged in **a hub-and-spoke arrangement** where each optical fiber cable extends from a main unit at a central location to one of a plurality of remote units.” *Id.* at 8:57-60 (Claim 12). CS has even admitted that “deployment of point-to-multipoint [among other] layouts were part of the Solutions under the ESR Agreement and were deployed for customers jointly by the Parties....” Ex-2007, *CS’s Contract Case*, ¶ 31.

Thus, CS either knew of or should have known of the '641 Patent – either when the ESR Agreement was executed, some ten years ago, or at any point during the eight-year period when the parties commercialized the co-branded InterceptorTM CS and VanguardTM CS products that practiced the '641 Patent. CS cannot claim ignorance of the '641 Patent.

At a minimum, there can be no doubt that CS knew and was aware of NIS’s involvement in the same technology space as the '641 Patent. CS necessarily obtained that knowledge over ten years ago as a result of their joint development

and commercialization efforts.⁴ CS should not benefit from “sitting on its hands.”

In similar cases, the Director correctly exercised discretion to deny institution. For example, in *Murata*, the challenged patent had been in force for 16 years before the Petition was filed, and the parties there had discussed the technology space involving the challenged patent years prior. *Murata*, IPR2025-00383, Paper 14, 2-3. The Director found that the petitioner’s failure to seek early review favors denial and outweighs other countervailing considerations, such as no trial date in the parallel district court proceeding and, significantly, no commercialization by the patent owner or marking of any practicing product. *Id.* Thus, the facts here present an even stronger case for denial of institution, as Petitioner and Patent Owner co-developed and commercialized practicing products, and Petitioner effectively licensed the ’641 Patent (thereby having an interest in maintaining its validity). These facts—coupled with those that the ’641 Patent has been in force for over 15 years, Petitioner knew or should have known of the ’641 Patent, and Petitioner undoubtedly knew of Patent Owner’s involvement in the technology space for at least ten years—strongly favor denial.

⁴ One of the principals at CS (CEO Scott Rye) has known of NIS’s involvement in the technology space relating to the ’641 Patent since at least 2012, when he questioned whether a third party was “violating [NIS] patents.” Ex-2011.

B. Equitable Considerations also Support Discretionary Denial

The Director may consider equity arguments when determining whether to exercise discretion to deny institution under 35 U.S.C. § 314(a). *E.g., Tessell, Inc. v. Nutanix, Inc.*, IPR2025-00322, Paper 14, 2 (June 12, 2025). Here, equity considerations support the exercise of discretion to deny institution.

During the ESR Agreement, CS had a vested interest in maintaining the validity of the '641 Patent, as an exclusive business partner and licensee of NIS. The parties' venture lasted for nearly eight years, indicating it was largely a success and further indicating that CS reaped financial benefits from the '641 Patent being in force. *See* Ex-2002; Ex-2003. CS also acknowledged that "point-to-multipoint" layouts (i.e., technology claimed in the '641 Patent) "were deployed for customers jointly by the Parties pursuant to their installations under the ESR Agreement." Ex-2007, *CS's Contract Case*, ¶ 31. It would be inequitable for CS to have benefitted from the '641 Patent, only to challenge the patent 10 years later.

C. The *Fintiv* Factors – on Balance – Favor Discretionary Denial

As explained below, the *Fintiv* factors also favor denial of institution.

1. Factor 1: Neutral, as Petitioner has not moved for a stay

Factor 1—whether a stay exists or is likely to be granted if a proceeding is instituted—is neutral, as CS has neither filed a motion for stay nor indicated any intent to file such a motion in *NIS's Infringement Case*. *See, e.g., Apple Inc. v.*

Fintiv, Inc., IPR2020-00019, Paper 15 at 12 (PTAB May 13, 2020) (informative) (*Fintiv II*) (explaining that “[t]his factor does not weigh for or against discretionary denial” where a stay has been neither requested nor granted).

CS’s failure to seek a stay, however, indicates its intent to litigate the same issues in both forums, which countenances in favor of discretionary denial. Significantly, NIS presently intends to assert dependent claims 6 and 7 in the district court case, which claims are not challenged in CS’s Petition. Thus, even if CS would request a stay, it would likely not be granted, given these additional dependent claims. Indeed, district courts routinely deny stay requests pending IPR where all asserted claims are not addressed. *See, e.g., SenoRX Inc. v. Hologic Inc.*, No. 12-0173-CJB, 2013 WL 144255, *9 (D. Del. Jan. 11, 2013) (denying a stay where pending IPR did not cover all asserted claims and parties were competitors).

2. Factor 2: Weighs against institution as it is more likely than not that *NIS’s Infringement Case* will reach trial before the projected statutory deadline for the final written decision

Factor 2—the implications of the district court and IPR schedules—also supports denial. *Fintiv II*, IPR2020-00019, Paper 15 at 11-12, 17. Earlier this month, the court in *NIS’s Infringement Case* issued a scheduling order. *See* Ex-2006, Scheduling Order. Consistent with the court’s practices, the Scheduling Order did not set a specific date for trial but provided a schedule through dispositive pretrial motions and set a variable procedure to trial. *Id.* at 2, 6. Based

on the Scheduling Order and the court's statistics, it is more likely than not that trial in the district court case will occur before the projected statutory deadline.

CS's Petition was accorded a filing date of August 22, 2025, making the 18-month statutory deadline for the Board's final written decision projected to be February, 22, 2027 ("FWD Deadline"). See Paper 3. The Scheduling Order in the district court case sets a deadline approximately 6 months earlier—August 31, 2026—for dispositive pretrial motions. Ex-2006, Scheduling Order at 2. This six-month window likely provides more than adequate time for the district court to decide dispositive motions and conduct a trial. Thus, it is more likely than not that the district court trial will conclude potentially months prior to the FWD Deadline.

Further, Lex Machina statistics for the presiding judge NIS's Infringement Case, the Honorable Theodore David Chuang, indicate a median time of 449 days (approximately 15 months) for the 11 patent cases he presided over that were not dismissed or decided on summary judgment. Ex-2012. Based on the April 2025 filing date of NIS's Complaint, these statistics project resolution of the district court case by September 2026 and, thus, indicate that it is more likely than not that the district court will reach trial before the FWD Deadline of February 22, 2027.

Thus, both the Scheduling Order and the available statistics indicate that it is more likely than not that the anticipated trial date will be earlier than the projected statutory deadline. Accordingly, this factor weighs against institution. *Fintiv* at 9.

However, even in the event that the schedule in the district court is extended or that the variable procedures for pretrial motions take an extended amount of time (e.g., 6 months), the district court trial would still occur in close proximity to the FWD Deadline. If this were to happen, the second factor still weighs against institution. *See Dish Network LLC v. Broadband iTV, Inc.*, IPR2020-01280, Paper 17 at 17-18 (PTAB Feb. 4, 2021) (finding close proximity between expected trial date and expected final written decision date to weigh slightly against institution).

3. Factor 3: Does not favor discretionary denial but only because of CS's baseless infringement claims

Factor 3—the resources invested in parallel proceedings—do not favor denial, as the pleadings have just closed. *See Fintiv* at 9-10. In the district court, CS filed multiple counterclaims of patent infringement concerning other patents in response to NIS's Complaint. *See Ex-2008, NIS's Infringement Case*, Dkt. No. 25 at 29-38 (filed July 21, 2025). CS's infringement claims, however, are baseless, and NIS denies each allegation of infringement. *See, e.g., Ex-2009, NIS's Infringement Case*, Dkt. No. 29 at 18 (filed Sept. 9, 2025). Further, in connection with making its infringement claims prior to filing, CS defamed NIS, *inter alia*, by overpublishing its baseless infringement claims. *See id.* at 15-22.

But for CS's baseless infringement claims, the district court case would be months ahead — the parties likely would have completed the exchange of initial

contentions and would be in the midst of claim construction. *See* Ex-2006, Scheduling Order at 2 (requiring initial infringement contentions in Nov. 2025, initial invalidity contentions in Dec. 2025, and disclosure of claim construction statement in Jan. 2026). Thus, other than the multiple pleadings, the parties have not invested significant resources in the parallel district court case.

4. Factor 4: Strongly weighs against institution because of the large extent of overlap between the issues raised in the Petition and the parallel district court case

Factor 4—the degree of overlap between the issues in the petition and before the district court—strongly supports denial. In the district court litigation, CS asserts many invalidity challenges: “The patent-in-suit is invalid under one or more of 35 U.S.C. §§ 101, 102, 103, 112, 115, 116, 132, and/or under the doctrine of obviousness-type double patenting.” *See* Ex-2008, *NIS’s Infringement Case*, Dkt. No. 25 at 24. Significantly, Petitioner CS has neither stipulated to nor indicated any intent to stipulate to limit its invalidity defenses if its Petition is instituted. CS’s refusal to narrow its invalidity challenges, for example, though a *Sotera* stipulation, indicates a likelihood that institution would result in significant duplicative work and the potential for conflicting decisions between the PTAB and the parallel district court litigation. *See Sotera Wireless, Inc. v. Masimo Corp.*, IPR2019-01019, Paper 12 (PTAB Dec. 1, 2020); *see also Fintiv*, IPR2020-00019, Paper 11 at 12 (“[C]oncerns of inefficiency and the possibility of conflicting

decisions [are] particularly strong” where “the Board [is] presented with substantially identical prior art arguments.”).

5. Factor 5: Identical parties in the parallel district court proceeding favor discretionary denial

Factor 5 weighs in favor of denial because Petitioner is the defendant in the parallel litigation and, as such, will have a full, fair opportunity to litigate its invalidity contentions. *See Vizio, Inc. v. Maxell, Ltd.*, IPR2022-01459, Paper 7 at 21-22 (PTAB Apr. 11, 2023); *Nokia of Am. Corp. v. Godo Kaisha IP Bridge*, IPR2022-00755, Paper 9 at 13 (PTAB Nov. 2, 2022).

Indeed, CS and the identified real party-in-interest, NIS, are the sole parties to the parallel district action involving allegations of infringement of the '641 Patent.⁵ Petition at 106; Ex-2005, NIS's Complaint at 1. This factor weighs in favor of discretionary denial, even if it is not given great weight. *See, e.g., Adobe, Inc. v. Jonathan E. Jaffe*, IPR2024-01352, Paper 8, 12-13 (PTAB Mar. 7, 2025).

6. Factor 6: Other relevant circumstances, including the settled expectations of the parties and over reliance on expert testimony, weigh in favor of discretionary denial

For Factor 6, the Board considers other “relevant circumstances in the case” as part of its “holistic analysis.” *See Fintiv* at 14–16; 2025 *Fintiv* Guidance at 3.

⁵ CS and NIS are also the sole parties to a second district court litigation, in which CS seeks ownership of the '641 Patent. *See Ex-2007, CS's Contract Case*, ¶ 55.

In Section III.A–B, NIS has outlined several “relevant circumstances” surrounding these disputes that strongly weigh in favor of discretionary denial.⁶

Additionally, Petitioner’s over reliance on expert testimony and opinions — conclusory opinions at that — supports discretionary denial. For example, even a cursory review of the papers shows that the expert’s declaration dwarfs the petition. In fact, the expert declaration is over 50% longer than the Petition. *Compare* Petition (106 pages) with Ex-1003, Declaration of Dr. Alexis Méndez (163 pages). Moreover, the expert declaration offers little more than conclusory statements that parrot the Petition itself. As shown in the example below, in connection with Ground 1 (of 5), the Petition includes a statement regarding claim limitation [1.2],⁷ and Dr. Méndez offers a virtually identical statement:

Maycock discloses monitoring fibers F1/F2 in cable 10 by detecting intrusions along the length of the fiber. EX1004, Abstract, 8:29-32,

Maycock discloses monitoring fibers F1 and F2 (a plurality of fibers) in cable 10 by detecting intrusions along the length of the fiber. EX1004,

⁶ Consistent with the Workload Memo, Patent Owner does not address the merits of the Petition herein but reserves the right to do so in a separate paper. It should be noted, however, that the Petition does not allege any Examiner error.

⁷ Limitation [1.2] states, “monitoring a plurality of fibers of the cable by detecting movement of the fiber at locations along the length of the fiber by”. *See* Petition, v.

EX1003, ¶107. Maycock discloses a system that detects and locates “any unauthorized attempt to collect data from the cables,” which a POSA [person of ordinary skill in the art] would understand constitutes detecting “movement” or “manipulation” of the cable. EX1004, 1:21-23, 3:61-67, 8:29-32, Fig. 1; EX1001, 4:8-8; EX1003, ¶¶107-108.

Petition, 19.

Abstract, 8:29-32. Maycock discloses a system that detects and locates “any unauthorized attempt to collect data from the cables,” which a POSA would understand constitutes detecting “movement” or “manipulation” of the cable. EX1004, 1:21-23, 3:61-67, 8:29-32; EX1001, 4:8-8 (“provide monitoring of movement of the fiber indicative of an intrusion event”).

Ex-1003, ¶ 107.

Dr. Méndez’s declaration is replete with similar paragraphs that offer nothing more than conclusory statements that parrot the Petition. *See, e.g.*, Ex-1003, ¶¶ 219-23 (Ground 2 analysis of elements 1.2 and 1.3 that match Petition’s analysis at pages 53-54), 288-96 (Ground 3 analysis of element 8.6 and alleged motivation to combine that tracks Petition’s analysis at pages 299-96), 340-42 (Ground 4 analysis of element 1.2 where entire expert opinion only parrots Petition’s analysis on page 84), 416-24 (Ground 5 analysis of claim 3 and alleged motivation to combine is near verbatim of Petition’s analysis at pages 100-04). These types of conclusory assertions that just parrot the Petition should be afforded little or no weight. *See TikTok Inc. v. NTech Properties, Inc.*, IPR2024-01339, Paper 9

(PTAB Feb. 25, 2025) (giving “little or no weight” to the testimony of the petitioner’s expert as the declaration was wholly “conclusory” — “repeat[ing], almost verbatim, the language in the Petition without any further explanation or supporting reasoning or evidence”); *see also Scripps Clinic & Rsch. Found. v. Genentech, Inc.*, 927 F.2d 1565, 1576 (Fed. Cir. 1991) (“The role of extrinsic evidence is to educate the decision-maker to what the reference meant to persons of ordinary skill in the field of the invention, not to fill gaps in the reference.”).

7. Balancing the *Fintiv* Factors

In sum, Factors 2, 4, and 5 weigh in favor of discretionary denial, and the numerous circumstances considered under Factor 6 weigh *strongly* in favor of discretionary denial. Factor 1 is neutral, and only Factor 3 weighs against discretion. On balance, the factors favor denial of institution. *See iRhythm*, Paper 10 at 2 (explaining settled expectations outweigh other considerations); *see also Murata*, Paper 14 at 2-3 (explaining settled expectations was strong based on age of the patent and that failure to seek early review outweighed other considerations).

IV. CONCLUSION

Accordingly, the Director should deny institution under 35 U.S.C. § 314(a).

Date: October 27, 2025

Respectfully submitted,

By /Howard N. Shipley/

Howard N. Shipley, Reg. No. 39,370
Joseph L. Meadows, Pro Hac Vice Pending
Gordon Rees Scully Mansukhani LLP
277 South Washington Street
Alexandria, VA 22314
Attorneys for Patent Owner

CERTIFICATE OF SERVICE

It is hereby certified that on this 27th day of October, 2025, a copy of the
PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL OF
INSTITUTION was served via Electronic Mail upon the following:

Kimberly K. Dodd
Foley & Lardner LLP
777 E. Wisconsin Ave.
Milwaukee, WI 53202-5306
kdodd@foley.com

Jack T. Carroll
Foley & Lardner LLP
150 E. Gilman St.
Suite 5000
Madison, WI 53703-1482
jcarroll@foley.com

By /Howard N. Shipley/
Counsel for Patent Owner
Registration No. 39,370