

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CISCO SYSTEMS, INC.,
Petitioner,

v.

OPTIMNET LLC,
Patent Owner,

U.S. Patent No. 8,780,887

Issue Date: July 15, 2014

Title: METHOD OF NETWORK-BASED COMMUNICATION IN VIRTUAL
NETWORK ENVIRONMENT

Inter Partes Review No.: IPR2026-00320

**PETITIONER’S OPPOSITION TO PATENT OWNER’S REQUEST FOR
DISCRETIONARY DENIAL OF INSTITUTION**

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Patent Trial and Appeal Board
U.S. Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

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PETITIONER'S EXHIBIT LIST

<i>Exhibit #</i>	<i>Description</i>
1001	U.S. Patent No. 8,780,887 (“the ’887 Patent”)
1002	Prosecution History of the ’887 Patent (“File History”)
1003	Declaration of Petitioner’s Expert
1004	U.S. Patent Publication No. 2007/0157303 to Pankratov (“Pankratov”)
1005	Brian Ford et al., Peer-to-Peer Communication Across Network Address Translators, ATEC '05: Proceedings of the USENIX Annual Technical Conference, Apr. 14, 2005.
1006	Ex. C of OptimNet’s Infringement Contentions Against Petitioner for the ’887 Patent in OptimNet LLC v. Cisco Systems, INC, No. 2:25-cv00935-JRG (E.D. Tex.)
1007	Email from Joseph A. Powers to OptimNet litigation counsel on July 2, 2026

I. INTRODUCTION

Cisco Systems, Inc. (“Petitioner”) opposes the request by OptimNET LLC (“Patent Owner” or “PO”) for Discretionary Denial of Institution (Paper 6, “Request”). The ’887 Patent never should have issued, as demonstrated by the prosecution of the original claims, and strong, new evidence of invalidity in the Petition.

The Petition is based on prior art that was not before the Patent Office during examination, but would have been if the examiner had spent more time searching and used search criteria tied to the features asserted to distinguish over the prior art. The IPR prior art, U.S. Patent Publication 2007/0157303 (“Pankratov”) (EX-1004), is nearly identical to the subject matter of the ’887 Patent and discloses the very limitations that were thought to be missing from the prior art as a result of the examiner’s erroneous searches. The resources of the Office should be used to correct these errors.

Underscoring the importance of this Petition to the validity of the ’887 Patent and the integrity of the patent system, PO does not even request denial under 35 U.S.C. § 325(d).

There is no basis to give the invalidity of the ’887 Patent a pass under *Fintiv*, given the strong evidence of apparent examiner error here. Further, it is unlikely

that the trial will occur before the final written decision and the Petitioner has issued a *Sotera* Plus stipulation so there will be no overlap in validity issues.

II. STIPULATIONS

Petitioner stipulates that if the Board grants the Petition and institutes an *inter partes* review, unless institution is later vacated, reversed or otherwise withdrawn by rehearing or Director Review, Petitioner will not pursue in the Litigation the specific grounds that it raised in the Petition, nor any other ground that Petitioner could have reasonably raised in an IPR against the challenged claims of the '887 Patent, nor any invalidity ground based on system prior art corresponding to the printed publication asserted in the specific invalidity ground that it raised in the IPR petition. *See Sotera Wireless, Inc. v. Masimo Corp.*, Case IPR2020-01019, Paper 12 (Dec. 1, 2020) (precedential); *Magnolia Medical Technologies, Inc. v. Kurin, Inc.*, IPR2026-00097, Paper 17 at 3 (Director, May 14, 2026) (precedential); EX-1018. Moreover, given the Director's new guidance in decisions designated informative on May 13, 2026, Petitioner stipulates that it will not pursue in the Litigation any indefiniteness ground under 35 U.S.C. §112 against any claim of the '887 Patent.¹

¹ By email sent to PO's counsel on July 2, 2026, Petitioner entered the above (i) "*Sotera* Plus" stipulation, *i.e.*, a conventional *Sotera* stipulation with additional

III. INSTITUTION IS WARRANTED TO CORRECT THE ERRONEOUS ISSUANCE OF THE '887 PATENT

A. The '887 Patent Should Never Have Been Issued

As explained in the Petition, the '887 Patent is directed to network-based communications in a virtual network environment where communication nodes are behind a network address translation (NAT) device. Using a known hole punching mechanism, the '887 Patent described using a tunnel mapping controller to establish a tunnel for direct communications between the nodes.

For the first Office Action, the examiner conducted a search, but inexplicably, never used the search term “hole punching” which was recited in each independent Claim 1:

assurances regarding certain system prior art, which the Board has found favorable to institution, and (ii) “*No Indefiniteness*” stipulation. *See* EX-1007.

EAST Search History

EAST Search History (Prior Art)

Ref #	Hits	Search Query	DBs	Default Operator	Plurals	Time Stamp
L2	27	(virtual adj2 network) and (tunnel near4 (control\$4 or manag\$5 or center)) and ((list) near3 routers)	US-PGPUB; USPAT	OR	ON	2013/05/22 12:37
L11	4	(virtual near4 network) and (((tunnel\$4) near4 (control\$4 or manag\$5 or center or map\$4)) with (registra\$5)) and ((common or shared or "same") near4 (prefix or (IP adj2 addresses)))	US-PGPUB; USPAT	OR	ON	2013/05/22 13:27
L15	25	(virtual near4 network) and (((tunnel\$4) near4 (control\$4 or manag\$5 or center or map\$4 or administra\$5)) with (regist\$8)) and ((common or shared or "same") near4 (prefix or (IP adj2 address)))	US-PGPUB; USPAT	OR	ON	2013/05/22 13:39
L17	108	(virtual near4 network) and ((tunnel\$4) near4 (control\$4 or manag\$5 or center or map\$4 or administra\$6)) and (registra\$5) and ((common or shared or "same") near2 (prefix or (IP adj2 addresses))) and (NAT or firewall)	US-PGPUB; USPAT	OR	ON	2013/05/22 13:41
L19	48	(virtual near4 tunnel) and ((tunnel\$4) near4 (control\$4 or manag\$5 or center or map\$4 or administra\$6)) and (registra\$5) and ((common or shared or "same") near2 (prefix or (IP adj2 addresses))) and (NAT or firewall)	US-PGPUB; USPAT	OR	ON	2013/05/22 13:45
L20	5	(virtual near4 tunnel) and ((tunnel\$4) near4 (control\$4 or manag\$5 or center or map\$4 or administra\$6)) and (registra\$5) and ((common or shared or "same") near2 (prefix or (ID))) and (NAT or firewall)	US-PGPUB; USPAT	OR	ON	2013/05/22 13:52

5/ 22/ 2013 3:56:44 PM

C:\Users\dlevitan\Documents\EAST\Workspaces\13234425.wsp

Had the examiner just conducted a basis search using the terms from Claim 1 such as virtual, tunnel and hole punching and limiting his search to priority dates before October 29, 2010, he would have received results of six patent families, one of which is the Pankratov reference (2007/0157303):

The screenshot displays a patent search interface. The top section shows a search bar with the query: `virtual; tunnel; "hole punching"; @PD<="20101029"`. Below the search bar, there are buttons for "Options", "Clear", "PN", and "Search". To the right, a sidebar contains a "Select all" checkbox and three checked checkboxes: "US-PGPUB", "USPAT", and "USOCR".

The bottom section shows the "Search Results" page. It includes a "Find Within" search bar and a "Hit Terms" button. The results are filtered by Family ID (6 families). The table below shows the results:

Select	+	Res...	X	1	2	3	4	5	Document ID
☐	+1	4	☐	☐	☐	☐	☐	☐	US 20070195800 A1 200
☒		5	☐	☐	☐	☐	☐	☐	US 20070157303 A1 200

Thus, it was the examiner's error that erroneously allowed the original claims to issue.

IV. THE *FINTIV* FACTORS WARRANT INSTITUTION

As explained above, instituting this IPR to correct the Examiner's material error "serves the interest of overall system efficiency and integrity." *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 15 (PTAB Mar. 20, 2020) (precedential). Additionally, as demonstrated below, Petitioner's broad stipulation "reduces the

concern of inconsistent outcomes or significant duplication of efforts” and thus counsels against discretionary denial.” *Tesla, Inc. v Bulletproof Property Management, LLC*, IPR2026-00204, Paper 14 at 3 (PTAB June 15, 2026) (informative). The *Fintiv* factors warrant consideration of the merits and institution because, as explained below, they either favor institution or are neutral.

A. Factor 1: Likelihood of a Stay

No party has requested a stay, and the district court has not indicated whether a stay would be granted. Therefore, this factor is neutral. *See Hulu, LLC v. SITO Mobile, Ltd.*, IPR2021-00298, Paper 11, 10-11 (PTAB May 19, 2021).

B. Factor 2: Timing of Trials

Factor 2 in neutral. Patent Owner admits that the trial date is scheduled only 47 days before the Final Written Decision is expected to issue. Given the tendencies of trial dates to slip it is only speculation to assume that the trial will occur before the FWD issues, particularly where Judge Gilstrap’s practice is to schedule multiple cases on the exact same date.

C. Factor 3: Investment in Parallel Proceedings

Factor 3 favors institution. As held by the Board in *Fintiv*, “[i]f, at the time of the institution decision, the district court has not issued orders related to the patent at issue in the petition, this fact weighs against exercising discretion to deny institution.” *Fintiv*, 10. Here, the district court will not issue its Markman order until after the Markman hearing scheduled for February 18, 2027, which will occur

after the institution decision. EX-2005, 4.

D. Factor 4: Overlap of Issues

Factor 4 favors institution. In view of Petitioner's *Sotera* Plus stipulation (*see* §II), there will be no overlap between the issues raised in the Petition and issues to be adjudicated in the Litigation.

E. Factor 5: Overlap of Parties

Factor 5 is neutral. The Board has long recognized that it is commonplace for petitioners to be defendants and does **not** weigh in favor of denial. *See, e.g., HP Inc. v. Slingshot Printing LLC*, IPR2020- 01084, Paper 13 at 9 (Jan. 14, 2021).

F. Factor 6: The Petition's Merits, and Demonstration of Apparent Examiner Error, Strongly Favor Institution

As explained above, §III, the evidence of invalidity in the Petition is overwhelming, presents prior art unlike any considered by the examiner when deciding to issue the Challenged Claims, and demonstrates apparent examiner error as being the reason that Pankratov was not previously before the Office. Integrity of the patent system compels that the Director should not exercise discretion to prevent correcting this error in the original patent grant and reexamination proceeding by considering the merits of the critical evidence of invalidity presented in the Petition. *Magnolia*, 6-8; *Fintiv*, 14-15.

V. THE SETTLED EXPECTATIONS DOCTRINE DOES NOT WARRANT SHIELDING THE '887 PATENT FROM REVIEW

When a patent has been erroneously issued by the Patent Office, the settled

expectation doctrine should not trump the purpose of IPRs of serving “the interest of overall system efficiency and integrity” particularly where Patent Owner only acquired its rights to the ’887 Patent three months before filing the litigation.

Fintiv, Inc., Paper 11 at 15.

VI. PATENT OWNER’S OTHER ARGUMENTS FAIL

PO fails to “develop [its] specific claim-element gaps” argument that would supposedly show that the “Petition is overly reliant on expert testimony to fill facial gaps in *Pankratov*’s disclosure.” Request 17. Instead, PO points to a single limitation in which, as it states, an alternative argument is supported by a supposedly conclusory expert statement. POPR, 18-19. This statement in isolation fails to take into context the full arguments in the Petition.

Further, there is no cross-forum inconsistency. Instead, PO brings together three separate quotes from the Petition, taken out of context, to cobble together a statement it contends shows inconsistency between the Petition and a lack of written description position from Petitioner’s invalidity contentions in the district court proceedings.

VII. CONCLUSION

PO has identified no legitimate basis for the Director to deny institution on any discretionary factors. Institution should be granted.

Respectfully submitted,

DUANE MORRIS LLP

Dated: July 2, 2026

/ Patrick D. McPherson /

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CERTIFICATION OF SERVICE ON PATENT OWNER

Pursuant to 37 C.F.R. §§ 42.6(e), 42.8(b)(4) and 42.105, the undersigned certifies that on the 2nd of July, 2026, a complete and entire copy of this PETITIONER'S OPPOSITION TO PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL OF INSTITUTION and supporting exhibit were served via email and/or electronic download by agreement of Patent Owner, to the Patent Owner's counsel of record in this manner.

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