

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

CISCO SYSTEMS, INC.,  
Petitioner,

v.

OPTIMNET LLC,  
Patent Owner.

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Case IPR2026-00321  
U.S. Patent No. 9,313,101

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

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**PATENT OWNER’S EXHIBIT LIST**

| <b>Exhibit<br/>No.</b> | <b>Description</b>                                                                                                                                                |
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| 2001                   | Docket Navigator stay-grant rate for Rodney Gilstrap, Texas Eastern (17.5% granted of 57 motions 2023–2025, motions to stay pending IPR).                         |
| 2002                   | First Amended Docket Control Order, issued Jan. 14, 2026, in <i>OptimNet LLC v. Cisco Systems, Inc.</i> , No. 2:25-cv-00935-JRG (E.D. Tex.).                      |
| 2003                   | Docket Navigator median time-to-trial for Rodney Gilstrap, Texas Eastern (21 months of 122 cases, January 2008–May 2026 window).                                  |
| 2004                   | Complaint for Patent Infringement (filed Sept. 4, 2025), in <i>OptimNet LLC v. Cisco Systems, Inc.</i> , No. 2:25-cv-00935-JRG (E.D. Tex.).                       |
| 2005                   | Cisco's Invalidity Contentions (E.D. Tex. P.R. 3-3), served on Patent Owner February 11, 2026 in <i>OptimNet LLC v. Cisco Sys., Inc.</i> , No. 2:25-cv-00935-JRG. |

## I. INTRODUCTION

Pursuant to 37 C.F.R. § 42.108 and the USPTO's Interim Director Discretionary Process, Patent Owner respectfully requests that the Director exercise discretion to deny institution of the above-captioned Petition.

This is a textbook case for discretionary denial. Petitioner Cisco is being sued by Patent Owner on five technologically-related patents in the Eastern District of Texas, *OptimNet LLC v. Cisco Sys., Inc.*, No. 2:25-cv-00935-JRG, with trial set for August 16, 2027 before the Hon. Rodney Gilstrap—47 days before the projected final written decision (and roughly four months earlier under the median time-to-trial). Cisco filed no *Sotera* stipulation, and its parallel-court invalidity attack reaches beyond what the Board can adjudicate under 35 U.S.C. § 311(b): eight § 103 references (the Petition uses only two), three Cisco-system references, and § 101 eligibility theories. Even on full institution, 31 of 60 asserted claims sit outside any IPR. Here, the Petition is not a “true alternative” to the parallel proceeding, but merely a tool for Cisco to drive up litigation costs. *See Motorola Sols., Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19, at 3–4 (P.T.A.B. Mar. 28, 2025) (Director Review). Two Additional Considerations independently support denial: the settled expectations attaching to a patent in force for more than ten years, and the Petition's facial weakness. Factors 1, 2/3, 5, and 6 further reinforce that denial is appropriate. Patent Owner thus respectfully requests denial of institution.

## II. DENIAL OF INSTITUTION UNDER § 314(a) IS WARRANTED

Under 35 U.S.C. § 314(a), the Director may decline to institute *inter partes* review where a parallel district-court proceeding is poised to resolve the same or substantially similar invalidity issues before the Board could issue a final written decision. See *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8, at 19–20 (P.T.A.B. Sept. 12, 2018) (precedential) (“[t]he advanced state of the district court proceeding is an additional factor that weighs in favor of denying the Petition under § 314(a)”). To structure that discretion, the Board articulated a six-factor framework in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, at 5–6 (P.T.A.B. Mar. 20, 2020) (precedential) (“*Fintiv*”):

- 1) Whether a stay exists or is likely to be granted if a proceeding is instituted;
- 2) Proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
- 3) Investment in the parallel proceeding by the court and the parties;
- 4) Overlap between issues raised in the petition and in the parallel proceeding;
- 5) Whether the petitioner and the defendant in the parallel proceeding are the same party; and
- 6) Other circumstances that impact the Director’s exercise of discretion, including the merits.

The factors are not a checklist; they call for a “holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15, at 2 (P.T.A.B. May

13, 2020) (informative) (“*Fintiv* II”). Each factor is addressed in turn below, and on this record, every factor favors discretionary denial.

**A. *Fintiv* Factor 1: The District Court Is Unlikely To Grant A Stay**

*Fintiv* Factor 1 asks “whether a stay exists or is likely to be granted if a proceeding is instituted.” *Fintiv*, Paper 11, at 6. The answer on this record is no. Petitioner has filed no motion to stay the parallel district-court action, *OptimNet LLC v. Cisco Sys., Inc.*, No. 2:25-cv-00935-JRG (E.D. Tex.), and the assigned judge has granted only 17.5% of contested stay motions in IPR-paralleled cases between 2023 and 2025—10 of 57 motions overall. *See* Ex. 2001, at 1 (Docket Navigator stay-grant rate for Rodney Gilstrap, Texas Eastern). That grant rate is materially below the threshold at which any inference of a likely stay could be drawn, and Petitioner has supplied no record evidence pointing the other way.

The forum reinforces the point. The Eastern District of Texas regularly denies pre-institution stays in IPR-paralleled cases. *See, e.g., Cerence Operating Co. v. Samsung Elecs. Co.*, No. 2:23-CV-0482-JRG-RSP, 2025 WL 2491706, at \*2 (E.D. Tex. Feb. 3, 2025) (“The ‘universal practice’ in this District, as well as the practice of most district courts, is to deny a motion for stay when the Board has not yet acted on a petition for IPR.”); *Trover Grp., Inc. v. Dedicated Micros USA*, No. 2:13-cv-1047, 2015 WL 1069179 (E.D. Tex. Mar. 11, 2015) explaining that, in the Eastern District of Texas, it “is not just the majority rule; it is the universal practice” to deny

pre-institution motions to stay) . The Board, in turn, “will not attempt to predict how the district court in the related district court litigation will proceed because the court may determine whether or not to stay any individual case, including the related one, based on a variety of circumstances and facts beyond our control and to which the Board is not privy” *Sand Revolution II, LLC v. Cont'l Intermodal Grp. – Trucking LLC*, IPR2019-01393, Paper 24, at 7 (P.T.A.B. June 16, 2020) (informative). The Director's recent post-March-2025 decisions apply this Factor 1 framework uniformly on the same posture. *See, e.g., Ericsson Inc. v. Procomm Int'l Pte. Ltd.*, IPR2024-01455, Paper 15, at 2 (P.T.A.B. May 16, 2025) (Director Review) (denying institution on EDTX record where trial preceded FWD and stay evidence was insufficient); *ARM Ltd. v. Daedalus Prime LLC*, IPR2025-00207, Paper 10, at 2 (P.T.A.B. May 16, 2025) (Director Review) (denying where trial-time statistics put trial before FWD and “there is insufficient evidence that the district court is likely to stay its proceeding”); *Samsung Elecs. Co. v. Telcom Ventures LLC*, IPR2025-00957, Paper 12, at 2 (PTAB Oct. 10, 2025) (October 2025 reaffirmation of the same Factor 1 framework on materially identical facts).

*Fintiv* Factor 1 thus weighs in favor of discretionary denial.

**B. *Fintiv* Factors 2 and 3: The Trial Date And The Court's And Parties' Investment Together Favor Denial**

*Fintiv* Factors 2 and 3 ask, respectively, “the proximity of the court's trial date to the Board's projected statutory deadline for a final written decision” and “the

amount and type of work already invested in the parallel proceeding by the court and the parties.” *Fintiv*, Paper 11, at 9, 11.

With respect to *Fintiv* Factor 2, trial in the parallel litigation, *OptimNet LLC v. Cisco Sys., Inc.*, No. 2:25-cv-00935-JRG (E.D. Tex.), is set for August 16, 2027 before the Hon. Rodney Gilstrap. *See* Ex. 2002. The institution-decision date for this proceeding is October 2, 2026, and the projected final written decision date is October 2, 2027. *See* Paper 3 (Notice of Filing Date Accorded, mailed Apr. 2, 2026); 35 U.S.C. § 314(b); 37 C.F.R. § 42.107(b). Trial is therefore set to occur 47 days before any final written decision could issue. The Director has held on materially identical records that “it will be inefficient to maintain two parallel proceedings when the district court scheduled trial date and the projected final written decision due date are in close proximity.” *Shenzhen Tuozhu Tech. Co. v. Stratasys, Inc.*, IPR2025-00354, Paper 11, at 2 (P.T.A.B. June 12, 2025) (Director Review); *see also Ericsson Inc. v. Procomm Int’l Pte. Ltd.*, IPR2024-01455, Paper 15, at 2 (P.T.A.B. May 16, 2025) (Director Review) (denying institution where EDTX trial was “set to conclude substantially before a final written decision will issue”). Factor 2 thus favors denial.

To the extent Petitioner might argue that the trial date may slip, the empirical record points the opposite direction. Docket Navigator reports a 21-month median time to trial for Judge Gilstrap across 122 cases—well below the national 29-month

median. *See* Ex. 2003, at 1. Applied to a complaint filed September 4, 2025 (*see* Ex. 2004), that median places the operative trial projection in approximately June 2027—about two and a half months earlier than the scheduled date, and well before the FWD-due date. The empirical record thus reinforces, rather than undercuts, the scheduled-date analysis, and there is no countervailing time-to-trial evidence on this record. *Cf. TankLogix, LLC v. SitePro, Inc.*, IPR2025-00761, Paper 10, at 2 (P.T.A.B. Sept. 3, 2025) (Director Review) (Factor 2 neutral where parties offered conflicting TTT statistics).

Factor 3 likewise favors denial. By the institution-decision date, the parties and the court will have invested meaningfully in the parallel proceeding. *See Motorola Sols., Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19, at 3 (P.T.A.B. Mar. 28, 2025) (Director Review) (investment measured as of POPR / institution date). By October 2, 2026, the case will be nearly thirteen months old, the parties will have exchanged infringement and invalidity contentions (the latter served February 11, 2026, *see* Ex. 2005, at 1), the parties will have been engaged in discovery for more than 10 months, and the parties will be preparing to exchange claim terms for construction (due October 15, 2026) in anticipation of Opening Claim Construction briefings on January 7, 2027. *See* Dkt. 29 (filed Jan. 14, 2026).

Nor is the meaningful investment of resources by the parties and Court a factor outside of Cisco's control, as Cisco created much of that investment by waiting: it

filed the Petition March 30, 2026—207 days after suit and 47 days after serving its own invalidity contentions disclosing the same § 103 theories the Petition asserts. *See* Ex. 2005, at 1. The Director has denied institution on closely comparable records. *See Advanced Micro Devices, Inc. v. Concurrent Ventures, LLC*, IPR2025-00223, Paper 9, at 2 (P.T.A.B. June 12, 2025) (Director Review) (denying where parties had exchanged contentions, conducted seven months of fact discovery, and *Markman* was scheduled before institution); *NeoGenomics Labs., Inc. v. Natera, Inc.*, IPR2025-00455, Paper 13, at 2 (P.T.A.B. June 12, 2025) (Director Review) (substantial investment by institution date “strongly favors discretionary denial”).

*Fintiv* Factors 2 and 3 thus weigh in favor of discretionary denial.

**C. *Fintiv* Factor 4: Overlap Between The Petition And The Parallel Proceeding Strongly Favors Denial**

*Fintiv* Factor 4 asks the degree of “overlap between issues raised in the petition and in the parallel proceeding.” *Fintiv*, Paper 11, at 12–13. A petitioner may mitigate that overlap by filing a *Sotera* stipulation forgoing in district court the grounds it raises or could reasonably have raised in this proceeding. *See Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12, at 18–20 (P.T.A.B. Dec. 1, 2020) (precedential as to § II.A). The Boalick Memorandum confirms that a stipulation is “highly relevant” but “not dispositive.”<sup>1</sup> Here: 1) there is perfect

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<sup>1</sup> Boalick Memorandum, *Guidance on USPTO's Rescission of Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court*

overlap between the challenged and asserted claims and the petition relies exclusively on prior art applied in the district court proceedings; 2) Cisco has filed no *Sotera* stipulation; and 3) the breadth of Cisco’s district court invalidity theories all be ensures that this IPR would not be a “true alternative” to the parallel district court proceedings, but merely a tool for Cisco to drive up litigation costs. *See Motorola*, at 3–4.

First, the Petition challenges the exact same claims that are currently asserted in the litigation (*compare* Petition at 1 with Ex-2005 at 1), and Cisco’s only IPR grounds rely on Mo and Peng, which Cisco *also* relies on in the district court litigation (*compare* Petition at 1 with Ex-2005 at 83).

Second, as of the date of this briefing, Cisco has not even filed a *Sotera* stipulation, and the absence of a stipulation has consistently been treated as tipping the balance toward denial. *See, e.g., Ericsson Inc. v. Procomm Int’l Pte. Ltd.*, IPR2024-01455, Paper 15, at 2–3 (P.T.A.B. May 16, 2025) (Director Review) (denying institution on EDTX record where petitioner had not filed a *Sotera*-style stipulation and parallel-court trial would precede FWD); *Full-Metal-Power B.V. v. Infocus Downhole Sols. USA LLC*, IPR2025-00391, Paper 14, at 2 (P.T.A.B. June 25, 2025) (Director Review) (“Petitioner has not offered a stipulation, despite

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*Litigation*, ¶ 3 (Mar. 24, 2025), [https://www.uspto.gov/sites/default/files/documents/guidance\\_memo\\_on\\_interim\\_procedure\\_recission\\_20250324.pdf](https://www.uspto.gov/sites/default/files/documents/guidance_memo_on_interim_procedure_recission_20250324.pdf).

overlap in the prior art grounds between the proceedings.”); *Phison Elecs. Corp. v. Vervain, LLC*, IPR2025-00213, Paper 14, at 3 (P.T.A.B. July 10, 2025) (Director Review) (“The absence of such a stipulation tips the balance in favor of discretionary denial.”); *Charter Commc'ns, Inc. v. Iarnach Techs. Ltd.*, IPR2025-00473, Paper 14, at 2 (P.T.A.B. July 16, 2025) (Director Review) (same); *DataDome S.A. v. Arkose Labs Holdings, Inc.*, IPR2025-00693, Paper 13, at 3 (P.T.A.B. Aug. 14, 2025) (Director Review) (no stipulation “weighs in favor of discretionary denial”). The Director's reasoning is straightforward: without a stipulation, the district court will adjudicate the very § 103 grounds the Board would consider, on a schedule that resolves invalidity first.

Moreover, even if Cisco belatedly attempted to file a *Sotera* stipulation, two obstacles would foreclose it. First, the timing window is shortly closing: *NXP USA, Inc. v. Impinj, Inc.*, IPR2021-01556, Paper 13, at 3–4 (P.T.A.B. Sept. 7, 2022) (precedential), holds that the Board will not consider stipulations offered for the first time after institution; the Boalick Memorandum re-affirms that timing rule. And the Interim Director Discretionary Process guidance explicitly states that a *Sotera* stipulation should be filed “as soon as practicable, so that patent owner may address the impact of the stipulation in its discretionary denial brief.”<sup>2</sup> Second, the Director's

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<sup>2</sup> See USPTO, Interim Director Discretionary Process § I.D, <https://www.uspto.gov/patents/ptab/interim-director-discretionary-process> (last updated Oct. 7, 2025).

leading post-Memo Director Review—*Motorola Sols., Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19 (P.T.A.B. Mar. 28, 2025) (Director Review)—holds that even a broad *Sotera* stipulation will not outweigh substantial parallel-litigation investment, system art, or other invalidity theories outside the IPR's § 311 scope. As discussed below, the OptimNet record presents that pattern in full.

For example, Cisco served its Final Invalidity and Subject-Matter Eligibility Contentions on February 11, 2026. Ex. 2005. Those contentions disclose, as to the '101 patent: eight § 103 prior-art references (including *Delsesto* (U.S. 2011/0225280), *Mo* (U.S. 2013/0231081), *ZTE WO '188 / Peng* (WO 2010/094188), *Hitachi JP '294* (JP 2002-374294), *Nortel EP '574* (EP 1068574), *Gai* (U.S. 6,167,445), Cisco's own “Time Based Access Lists Using Time Ranges” IOS 12.0(1) document, and *Cuervo* (U.S. 7,676,559)); three system-art references (Cisco Secure Access Control Server (ACS) Releases 4.0 and 5.3; Cisco Security Manager (CSM) Releases 3.3.1, 4.0, and 4.2sp1; and the Cisco Service Control Engine 8000 / SEF); and a separate body of § 101 subject-matter-eligibility theories.

The Petition, by contrast, asserts two grounds drawing on only two of those eight § 103 references (*Mo* and *Peng*), reaches none of the system art, and is unable as a matter of statute to reach § 101. *See* 35 U.S.C. § 311(b) (limiting IPR to “only a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications”). On a reference count, the IPR

addresses 2 of 8 § 103 references—25%. On a theory count, the IPR reaches none of the three categories the district court will adjudicate in any event.

The structural shape of this campaign reinforces the overlap conclusion. Cisco asserts five OptimNet patents in the EDTX action—U.S. Patent Nos. 8,116,623; 8,638,807; 8,780,887; 9,313,101; and 10,020,961—but has filed IPRs on only three. The '623 patent (claims 1–27) and the '807 patent (claims 13–16) are not subject to any IPR. Across the five patents, OptimNet asserts 60 claims; only 29 are challenged in any IPR, and 31—51.67%—are not. This IPR alone reaches just 6 of 60 asserted claims, a 10% slice of the parallel-litigation dispute. *See* Pet. 1; Compl. ¶¶ 14, 28, 42, 59, 76 (asserting all 60 claims). Even an across-the-board adverse final written decision on all three IPRs would leave the district court to adjudicate 31 claims on two patents that are simply not before the Board. The 10% reach of this IPR is precisely the asymmetry the Director credited in *Motorola* as foreclosing the “true alternative” function that the *Sotera* framework presupposes. Paper 19, at 3–4.

The conclusion follows from the totality. Cisco’s district court invalidity theories perfectly capture all of its IPR invalidity theories; Cisco filed no *Sotera* stipulation; its district-court invalidity record is broader than any IPR can ever be; the IPR-eligible art is a 25% subset of its § 103 contentions; the IPR’s claim coverage is 10% of the parallel dispute; and even on full institution, the parallel court must adjudicate over half the asserted claims and every § 101 and system-art theory

regardless of how the Board rules. As *Motorola* puts it, “the stipulation does not outweigh the substantial investment in the district court proceeding or *Fintiv* factors 1, 2, and 5”—and here there is no stipulation to weigh in the first place. Paper 19, at 4. Considering the *Fintiv* factors as a whole, “the efficiency and integrity of the system are best served by denying review.” *Id.*

*Fintiv* Factor 4 thus strongly weighs in favor of discretionary denial.

**D. *Fintiv* Factor 5: Petitioner And The Parallel-Proceeding Defendant Are The Same Party**

*Fintiv* Factor 5 asks whether “the petitioner and the defendant in the parallel proceeding are the same party.” *Fintiv*, Paper 11, at 13–14. They are. Cisco is the Petitioner here and the named defendant in *OptimNet LLC v. Cisco Sys., Inc.*, No. 2:25-cv-00935-JRG (E.D. Tex.), where it is challenging the validity of the '101 patent and four related patents on substantially overlapping prior art. The Director has consistently treated that posture as Factor 5 evidence favoring discretionary denial. *See, e.g., Comcast Cable Commc'ns, LLC v. Entropic Commc'ns, LLC*, IPR2025-00183, Paper 11, at 2 (P.T.A.B. June 25, 2025) (Director Review); *Entegris, Inc. v. Inpria Corp.*, IPR2025-00267, Paper 12, at 2 (P.T.A.B. July 2, 2025) (Director Review). The same-party posture heightens the duplication-of-effort concern that *Fintiv* Factors 2, 3, and 4 already establish.

*Fintiv* Factor 5 thus weighs in favor of discretionary denial.

**E. *Fintiv* Factor 6: Other Circumstances, Including The Weakness Of The Petition And Its Over-Reliance On Expert Testimony, Weigh In Favor Of Denial**

*Fintiv* Factor 6 asks about “other circumstances that impact the Board's exercise of discretion, including the merits.” *Fintiv*, Paper 11, at 14–16. Here, Factor 6 weighs in favor of denial for at least three reasons.

First, Petitioner’s unexplained delay in filing the petition weighs in favor of discretionary denial. Here, Patent Owner served the complaint on September 4, 2025 (*see* Ex. 2004); Cisco served its district-court invalidity contentions on February 11, 2026 (*see* Ex. 2005)—asserting the same § 103 references on which it now seeks *inter partes* review—and then waited another 47 days, until March 30, 2026, to file the Petition. Cisco's 207-day complaint-to-petition gap tracks the unexplained delay the Director discussed in *Ericsson Inc. v. Procomm Int'l Pte. Ltd.*, IPR2024-01455, Paper 15, at 2 (P.T.A.B. May 16, 2025) (Director Review).

Second, the Petition is substantively weak. The Petition relies on a narrow subset of the prior art Cisco is itself advancing in district court and leans heavily on expert testimony to fill facial disclosure gaps. Patent Owner addresses the specific deficiencies below, *supra* at III.B, and in its anticipated Patent Owner Preliminary Response.

Third, the case-specific equities reinforce denial. The patent has been in force for more than ten years (Part III.A); the IPR seeks to disturb that ten-year status quo

on a 10% slice of the parallel dispute with no *Sotera* stipulation to mitigate duplication. *Cf. Advanced Micro Devices, Inc. v. Advanced Cluster Sys., Inc.*, IPR2025-00862, Paper 14, at 2 (P.T.A.B. Sept. 3, 2025) (Director Review) (denial on settled-expectations and prior-Board-denial totality even where Factor 2 was neutral).

*Fintiv* Factor 6 thus weighs in favor of discretionary denial.

### III. ADDITIONAL CONSIDERATIONS WEIGH IN FAVOR OF DISCRETIONARY DENIAL

Independent of the *Fintiv* factors, the Director's exercise of discretion under § 314(a) is informed by the supplemental considerations the Office has set out in its 2025–2026 memoranda.<sup>3</sup> Two of those considerations apply on this record and each independently weighs in favor of denial: the settled expectations attaching to a patent that has been in force for approximately ten years, and the particular weakness of the Petition and its overreliance on uncorroborated expert testimony. These

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<sup>3</sup> See Stewart Memorandum, *Interim Processes for PTAB Workload Management* (Mar. 26, 2025), <https://www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf>; Boalick Memorandum, *Guidance on USPTO's Rescission of Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation* (Mar. 24, 2025), [https://www.uspto.gov/sites/default/files/documents/guidance\\_memo\\_on\\_interim\\_procedure\\_recission\\_20250324.pdf](https://www.uspto.gov/sites/default/files/documents/guidance_memo_on_interim_procedure_recission_20250324.pdf); Squires Memorandum, *Director Institution of AIA Trial Proceedings* (Oct. 17, 2025), [https://www.uspto.gov/sites/default/files/documents/Director\\_Institution\\_of\\_AIA\\_Trial\\_Proceedings.pdf](https://www.uspto.gov/sites/default/files/documents/Director_Institution_of_AIA_Trial_Proceedings.pdf); USPTO, *Interim Director Discretionary Process* § I.B, <https://www.uspto.gov/patents/ptab/interim-director-discretionary-process> (last updated Oct. 7, 2025).

considerations reinforce the holistic conclusion that every *Fintiv* factor here requires denial.

**A. Settled Expectations Weighs in Favor of Discretionary Denial; The '101 Patent Has Been In Force For More Than Ten Years**

U.S. Patent No. 9,313,101 issued on April 12, 2016. *See* '101 patent, Cover. As of the planned filing date of this brief, it has been in force for more than ten years. The Director has consistently held that multi-year time-in-force creates “strong settled expectations” for the patent owner (*see, e.g., Transcend Info. Inc. v. TrueSight Commc'ns LLC*, IPR2025-00723, Paper 10, at 2 (P.T.A.B. Aug. 4, 2025), and that a petitioner challenging such a patent must articulate “persuasive reasoning why an *inter partes* review is an appropriate use of Office resources” (*see, e.g., Dabico Airport Sols. Inc. v. AXA Power ApS*, IPR2025-00408, Paper 21, at 2–3 (P.T.A.B. June 18, 2025) (Director Review)).<sup>4</sup>

Ten-plus years places this patent comfortably within the heartland of the Director's *Dabico* framework. Where the patent has been in force for that long, the Director has applied this framework to deny institution on materially indistinguishable records. *See, e.g., Transcend Info. Inc.*, Paper 10, at 2 (“the patent has been in force for ten years, creating strong settled expectations for Patent

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<sup>4</sup> *See also* USPTO, Interim Director Discretionary Process § I.B item 5, <https://www.uspto.gov/patents/ptab/interim-director-discretionary-process> (last updated Oct. 7, 2025) (enumerating “[s]ettled expectations of the parties, such as the length of time the claims have been in force” as an Office-recognized consideration).

Owner”); *Coretronic Corp. v. Maxell, Ltd.*, IPR2025-00474, Paper 11, at 2 (P.T.A.B. July 10, 2025) (Director Review) (“the challenged patents have been in force for approximately eight, twelve, and fifteen years, creating strong settled expectations, and Petitioner does not provide any persuasive reasoning why an *inter partes* review is an appropriate use of Board resources”); *Samsung Elecs. Co. v. SinoTechnix LLC*, IPR2025-00331, Paper 13, at 2 (P.T.A.B. July 2, 2025) (Director Review) (multi-year time-in-force); *Apotex Inc. v. Alkermes Pharma Ireland Ltd.*, IPR2025-00514, Paper 10, at 2 (P.T.A.B. July 2, 2025) (Director Review) (same).

Cisco has offered no resource-use justification of any kind, much less the “persuasive reasoning” *Dabico* requires. The Petition's preliminary statement does not mention settled expectations, the patent's age, or any reason the Board's limited resources should be deployed against a ten-year-old patent that has not previously been challenged at the PTAB. *See* Pet. 1–10. Nor is there any countervailing equity to dilute the settled-expectations weight. The '101 patent has not previously been the subject of any contested PTAB or district-court invalidity adjudication. Cisco has been on notice of the OptimNet patents since at least September 4, 2025—when Patent Owner served the complaint in EDTX—and the parties have already engaged in seven months of fact discovery and contention exchanges. Cisco's delay in seeking IPR until March 30, 2026 only deepens the reliance interest the *Dabico* framework was designed to protect.

Petitioner cannot plausibly argue, as some petitioners have, that the patent is too young for settled expectations to attach. *Cf. Tesla, Inc. v. Granite Vehicle Ventures LLC*, IPR2025-00943, Paper 17, at 2 (P.T.A.B. Sept. 26, 2025) (Director Review) (declining to credit settled expectations for patents issued in 2023). At a decade in force, with no prior PTAB challenge, an unencumbered prosecution history, and a multi-defendant assertion campaign in which OptimNet has been actively enforcing its rights, the '101 patent is the paradigm case for the Director's settled-expectations rule. Settled expectations weighs strongly in favor of discretionary denial.

**B. The Petition Is Particularly Weak and Overly Reliant on Expert Testimony to Fill Facial Gaps**

The Petition is weak for at least three reasons. First, the Petition's ground inventory is strikingly narrow compared to the invalidity attack Cisco itself is advancing in district court. Cisco's February 11, 2026 invalidity contentions (Ex. 2005) identify eight § 103 references against the '101 patent, three Cisco-system references, and a separate body of § 101 eligibility theories. Conversely, the Petition asserts grounds drawing on only two of the eight § 103 references—*Mo* and *Peng*. Cisco's own election to pursue six additional § 103 references and a non-IPR-eligible theory base reflects its own judgment that the two IPR'd references are insufficient.

Second, the Petition is overly reliant on expert testimony to fill facial gaps in the disclosure of the two references it does assert. The Office has identified “[e]xtent

of the petition's reliance on expert testimony” as a discretionary-denial consideration. *See* USPTO, *Interim Director Discretionary Process* § I.B item 4. Patent Owner will develop the specific claim-element gaps and the related expert-testimony reliance in its anticipated Patent Owner Preliminary Response. The Petition's reliance on expert opinion to bridge those gaps independently supports discretionary denial, and the Boalick Memorandum's rule that compelling merits is a “relevant consideration[]” (Boalick Memorandum at 3) cuts both ways, as the weakness of the Petition weighs strongly in favor of discretionary denial.

Third, the Petition risks cross-forum inconsistency the Director has held may warrant denial under *Revvo Techs., Inc. v. Cerebrum Sensor Techs., Inc.*, IPR2025-00632, Paper 20 (P.T.A.B. Nov. 3, 2025) (Director Review) (precedential), and its informative precursors. *See also Cambridge Mobile Telematics, Inc. v. Sfara, Inc.*, IPR2024-00952, Paper 12 (P.T.A.B. Dec. 13, 2024) (informative); *Sun Pharm. Indus. Inc. v. Nivagen Pharm., Inc.*, IPR2025-00893, Paper 18 (P.T.A.B. Sept. 19, 2025) (Director Discretionary Decision). Cisco's *Markman* briefing has not yet been served; Patent Owner reserves the right to identify specific cross-forum inconsistencies under the *Revvo* framework as Cisco's positions crystallize.

These weaknesses do not operate in isolation. Coupled with the no-*Sotera* record on Factor 4 and the petitioner-delay record on Factor 6, the Petition's posture is not the “true alternative” to district-court adjudication that the AIA contemplates.

#### **IV. THE BALANCE OF EVIDENCE FAVORS DENIAL**

In evaluating these factors, the Board “takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Fintiv*, Paper 11, at 6; *see also* 35 U.S.C. § 316(b). The case-carrying ground is the Factor 4 / *Sotera* record: Petitioner filed no stipulation, the district-court invalidity attack covers § 101 theories and three Cisco-system references the Board cannot reach under § 311(b), and 51.67% of the asserted claims sit outside any IPR. *See Motorola Sols., Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19, at 4 (P.T.A.B. Mar. 28, 2025) (Director Review). Factor 2/3 timing and investment, the settled-expectations interest in a ten-year-old patent, and the Petition's narrow ground inventory each independently reinforce that conclusion. Factors 1, 5, and 6 round out the totality. In sum, every *Fintiv* factor and both active Additional Considerations weigh in favor of discretionary denial. On this record, this is not a close call: the Petition should not be instituted.

#### **V. CONCLUSION**

For the foregoing reasons, Patent Owner respectfully requests that the Director exercise discretion under 35 U.S.C. § 314(a) and deny institution of the Petition. The combination of the Factor 4 / *Sotera*-erosion record, the trial-before-FWD posture in the Eastern District of Texas, the more-than-ten-year settled expectations attaching to U.S. Patent No. 9,313,101, and the Petition's narrow

ground inventory together make this an appropriate case for denial without further proceedings.

Dated: June 2, 2026

Respectfully submitted,

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**CERTIFICATE OF SERVICE (37 C.F.R. § 42.6(e)(1))**

The undersigned hereby certifies that on June 2, 2026, a true and correct copy of the foregoing PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL OF INSTITUTION was served via the Patent Trial and Appeal Case Tracking System (P-TACTS) and by electronic mail on counsel of record for Petitioner at the following addresses:

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