

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

DISPERSIVE NETWORKS, INC.,
Petitioner,

v.

NICIRA, INC.,
Patent Owner.

Case PGR2018-00063
Patent 9,722,815 B2

Before DEBRA K. STEPHENS, GARTH D. BAER, and
KAMRAN JIVANI, *Administrative Patent Judges*.

STEPHENS, *Administrative Patent Judge*.

DECISION

Granting in Part Patent Owner's Request for Rehearing
37 C.F.R. § 42.71

I. INTRODUCTION

Nicira, Inc.¹ (“Patent Owner”) filed a Request for Rehearing (Paper 27, “Request” or “Req. Reh’g”) of our Decision to Institute (Paper 25, “Decision” or “Dec.”) entered on November 15, 2018. Patent Owner’s Request seeks reconsideration of our Decision granting institution of post-grant review with respect to claims 1–11 as indefinite under 35 U.S.C. § 112(b).

For the reasons provided below, we *grant-in-part* Patent Owner’s Request.

II. LEGAL STANDARDS

The party requesting rehearing bears the burden of showing that the decision should be modified (37 C.F.R. § 42.71(d)). A request for rehearing “must specifically identify all matters the party believes the Board misapprehended or overlooked, and the place where each matter was previously addressed” (*id.*).

When rehearing a decision on a petition, we review the decision for an abuse of discretion (*see* 37 C.F.R. § 42.71(c)). An abuse of discretion may be indicated if a decision is based on an erroneous interpretation of law, if a factual finding is not supported by substantial evidence, or if the decision represents an unreasonable judgment in weighing relevant factors (*see Star Fruits S.N.C. v. United States*, 393 F.3d 1277, 1281 (Fed. Cir. 2005); *Arnold P’ship v. Dudas*, 362 F.3d 1338, 1340 (Fed. Cir. 2004); *In re Gartside*, 203

¹ Nicira, Inc. identifies VMware, Inc. as an additional real party in interest. (Paper 5, 3).

F.3d 1305, 1315–16 (Fed. Cir. 2000)). With this in mind, we address the arguments Patent Owner presents.

III. ANALYSIS

A. *Claim 1: 35 U.S.C. § 112(b)*

1. *Argument that Petitioner did not advocate the basis for institution in the decision*

In the Petition, Petitioner alleged the limitation “setting another MP network flow parameter based on the optimal multipath network flow setting” is indefinite (Pet. 19). Patent Owner argues that the reasoning stated in the Decision on page 20 was not explicitly argued by Petitioner (Req. Reh’g 3). In particular, Patent Owner contends “Petitioner failed to identify which of the . . . words or phrases specifically have a meaning that is unclear, or why they are unclear” (*id.* (quoting Paper 17 (“Prelim. Resp.”) 26)). Thus, according to Patent Owner, Petitioner “never argued this as a basis for alleging that claim 1 is indefinite . . . and thus, could not have possibly met its burden to establish that claim 1 is more likely than not indefinite on this basis” (*id.* at 3–4).

Based on the record before us, we disagree. The reasoning now identified by Patent Owner is our analysis of Patent Owner’s own argument from Patent Owner’s Preliminary Response (Prelim. Resp. 31). Specifically, Patent Owner identifies and asserts the following is a new argument formulated by the Board: “[t]he cited portions of the ’815 patent do not discuss ‘setting another parameter’, rather, those portions describe updating or changing a parameter that is already set” (Req. Reh’g 3 (citing Dec. 19–20)). However, the “cited portions of the ’815 Patent” were cited by Patent Owner in the Preliminary Response on page 31 (*see* Dec. 19 (“[T]he

portions cited by Patent Owner discuss *updating* or *changing*: ... (Prelim. Resp. 31 (citing '815 Patent, Ex. 1001, 9:38–54)))". Thus, the text identified by Patent Owner from the Decision at page 20 is our analysis of Patent Owner's own argument, not a "Board formulated" argument as Patent Owner now asserts.

For these reasons, we are not persuaded we misapprehended or overlooked any argument, based on the record before us.

2. *Argument that "setting" is the same as updating or changing*

Patent Owner next asserts that we overlooked Patent Owner's argument that the claim 1 limitation "'setting another MP parameter' is clear and definite on its face," and overlooked "the evidence cited in support thereof" (Req. Reh'g 5 (citing Prelim Resp. 27–28)). Moreover, according to Patent Owner, we did "not address the fundamental issue of whether one of ordinary skill in the art would even need to resort to the contents of the specification to understand the meaning of the above-quoted limitation, or explain why the language on the face of the claim is unclear or indefinite" (*id.* at 5). Patent Owner further argues that the Specification describes "an example of 'setting another MP flow parameter[' as] changing a load-balancing setting to a new replication setting for future packets in the MP flow" (Req. Reh'g 5–6). Patent Owner again argues "Petitioner did not allege that the word 'setting' was unclear" and that if Petitioner had, Patent Owner could have explained "that 'setting' is the same as updating or changing" (*id.* at 6).

Based on the record before us, we disagree we overlooked the argument because our Decision analyzes Patent Owner's argument regarding the meaning of "setting" and the cited section of the '815 Patent (Dec. 19–

20). Our Decision quotes Patent Owner’s cited section of the ’815 Patent and explains why “setting” is indefinite:

Therefore, the claim is unclear as to what the “setting another . . . parameter” refers. The cited portions of the ’815 Patent do not discuss “setting another parameter”; rather, those portions describe updating or changing a parameter that is already set. At this juncture, we have not identified portions of the ’815 Patent that would support Patent Owner’s interpretation. Accordingly, based on this record, we determine the claim, even when read in light of the ’815 Patent’s Specification, fails to delineate the bounds of the invention, to an ordinarily skilled artisan

(Dec. 20 (referring to cited portions of the ’815 Patent, Ex. 1001, 9:38–54)).

The above quotation addresses Patent Owner’s argument. Thus, as we explained, Patent Owner’s Specification describes “updating or changing” a parameter but not “setting *another* MP network flow parameter.”

Accordingly, based on the record before us, we determined Petitioner has shown, more likely than not, that the limitation is indefinite. Patent Owner, however, has the opportunity to develop the record during the trial.

For these reasons, we are not persuaded we misapprehended or overlooked Patent Owner’s argument.

3. *Argument for claim 1 that Nautilus is the correct indefiniteness standard for PGRs*

Patent Owner asserts that the Decision misapprehended or overlooked Patent Owner’s argument that the standard set forth in *Nautilus, Inc. v. Biosig Instruments, Inc.*, 134 S. Ct. 212 (2014), is the correct standard to be applied in post-grant review (PGR) proceedings (Req. Reh’g 7, 11–12, 15–16; Prelim. Resp. 25–26). Patent Owner cites no controlling authority that supports this assertion (Prelim. Resp. 25–26).

We set forth in our decision that claims are given their broadest reasonable construction (Dec. 9–10). Nevertheless, we determined that Petitioner has shown, more likely than not, that at least one of claims 1–6 and 8–11 of the '815 Patent is indefinite under 35 U.S.C. § 112(b) under both the *Nautilus* standard and the standard articulated in *In re Packard*, 751 F.3d 1307 (Fed. Cir. 2014)² (see Dec. 17–20 (claim 1), 20–23 (claim 6), 23–25 (claim 8)). Moreover, Patent Owner's Request fails to show how we misapprehended or overlooked or any persuasive arguments why the claims would be definite under either the *Nautilus* or the *Packard* standards. We considered all of Patent Owner's arguments, but determined Petitioner had nevertheless satisfied its burden sufficiently for institution.

For these reasons, we are not persuaded that we erroneously interpreted the law.

4. *Argument that the claim 1 limitation “setting another MP network flow parameter” is clear and definite on its face*

Patent Owner asserts that we misapprehended or overlooked both Patent Owner's argument that the claim 1 limitation “setting another MP network flow parameter” is clear and definite on its face and the evidence cited in support thereof (Req. Reh'g 5 (citing Prelim. Resp. 27–28; Ex. 2003 ¶¶ 37–41)).

² In *Packard*, the Federal Circuit stated “[a] claim is indefinite when it contains words or phrases whose meaning is unclear” (*In re Packard*, 751 F.3d 1307, 1310, 1314 (Fed. Cir. 2014)). In *Nautilus*, the Supreme Court stated “a patent is invalid for indefiniteness if its claims, read in light of the specification delineating the patent, and the prosecution history, fail to inform, with reasonable certainty, those skilled in the art about the scope of the invention” (*Nautilus*, 134 S. Ct. at 2124).

We disagree because claims are not construed on their face, as argued by Patent Owner, but under both *Nautilus* and *Packard*, claims are read in light of the specification. Specifically, *Nautilus* states “a patent is invalid for indefiniteness if its claims, read in light of the specification . . . and the prosecution history, fail to inform, with reasonable certainty, those skilled in the art about the scope of the invention” (*Nautilus*, 134 S. Ct. at 2124). Under *Packard*, claims are construed in light of the specification and “[a] claim is indefinite when it contains words or phrases whose meaning is unclear” (*Packard*, 751 F.3d at 1310, 1314). Moreover, our Decision properly interprets the “setting another MP network flow parameter” in light of the Specification (Dec. 19–20).

For these reasons, we are not persuaded that we misapprehended or overlooked Patent Owner’s argument or that we erroneously interpreted the law.

B. Claim 6: 35 U.S.C § 112(b)

1. Argument that Petitioner did not argue that claim 6 is indefinite because claim 6 is missing punctuation or needs rewording

Claim 6 recites:

The edge-gateway multipath method of claim 1 wherein a software as a service (SaaS) application interacts with the edge device and the gateway to determine a value of a specified network characteristic communicatively coupling the SaaS application with the edge device and resetting the QoS parameter based on the value of the specified network characteristic

(’815 Patent, 13:14–20).

Patent Owner asserts that Petitioner did not specifically assert that claim 6 is indefinite for the exact reason that the claim needs punctuation

between “characteristic” and “communicatively” or needs rewording for parallel structure, or otherwise needs amendment to clarify the meaning as stated in the Decision at page 22 (Req. Reh’g 8–9). Patent Owner asserts that, because of this, Petitioner did not meet its burden under 35 U.S.C § 324(a).³

We disagree because we find Petitioner put forth sufficient argument and evidence to demonstrate sufficiently for purposes of institution that claim 6 is more likely than not indefinite. Specifically, Petitioner pointed out the meaning of “*a value of a specified network characteristic communicatively coupling* the SaaS application with the edge device” is unclear (Pet. 21–22 (emphasis added)).

Based on the record before us, we agree. Although we determined an ordinarily skilled artisan would have known a value or network characteristic could not be communicatively coupled to an application, we agreed with Petitioner that the meaning of the limitation was unclear—the claim does not make clear what is communicatively coupled (Dec. 22). Thus, we agreed, for purposes of institution, that the claim as written is indefinite, conflicts with the Specification, and fails to adequately notify the public of the scope of the claim (*id.*). Our suggestion that the claim may be missing some punctuation, which would possibly clarify its meaning (*id.*), does not alter our determination that, based on the record before us, the claim is indefinite. Specifically, Petitioner’s argument that the limitation “appears to suggest that either a ‘value’ or a ‘network characteristic’ is

³ 35 U.S.C. § 324(a) requires that “the information presented in the petition . . . would demonstrate that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.”

communicatively coupling an application to an edge device” (Pet. 21–22) makes evident that the claim is indefinite and appears to need punctuation between “characteristic” and “communicatively” or other amendment, as stated in the Decision on page 22. Based on this record, we find Petitioner put forth sufficient argument and evidence to demonstrate that claim 6 is more likely than not indefinite. Patent Owner has not persuaded us we misapprehended or overlooked the facts.

2. *Argument that the claims must be read in view of the specification*

Patent Owner asserts that we misapprehended or overlooked the argument that the claims are viewed in light of the Specification (Req. Reh’g 10–11). As discussed above, we disagree we overlooked Patent Owner’s arguments because we analyzed the claim in view of the Specification, especially the sections of the Specification cited by Patent Owner (Dec. 20–22 (citing Prelim. Resp. 34–37; ’815 Patent, 10:5–29, Fig. 8)).

Accordingly, Patent Owner has not shown that we misapprehended or overlooked the facts presented in the Preliminary Response.

3. *Argument that Nautilus is the correct indefiniteness standard for PGRs*

Regarding claim 6, Patent Owner again asserts that *Nautilus* is the correct indefiniteness Standard for post grant reviews (Req. Reh’g 11–12). As discussed above in Section III.A.3., we determined, for purposes of institution, that Petitioner had sufficiently shown that the claims are more likely than not indefinite under both the *Nautilus* and *Packard* standards (see Dec. 21–23).

C. Claim 7: 35 U.S.C § 112(b)

1. Argument that Petitioner did not challenge the validity of independent claim 7 under 35 U.S.C. § 112(b)

Patent Owner asserts that we erred by instituting review of claim 7 under 35 U.S.C. § 112(b) because the Petition did not challenge the validity of claim 7 under 35 U.S.C. § 112(b) (Req. Reh’g 12 (citing Dec. 56, Pet. 17–25)).

We agree. We erroneously instituted review of claim 7 under 35 U.S.C. § 112(b). We modify our Decision to the extent that we do not institute on claim 7 under 35 U.S.C. § 112(b). That is, we institute a post-grant review of claims 1–6 and 8–11 of the ’815 Patent on the challenge that these claims are indefinite and unpatentable under 35 U.S.C. § 112(b).

D. Claim 8: 35 U.S.C. § 112(b)

1. Argument that the use of the language “the edge device passes . . . a local configuration to the gateway” is entirely consistent with passing enterprise-specific configuration data to the gateway

Claim 8 recites “wherein the gateway has no initial setup configuration, wherein the edge device passes an enterprise identification of the edge device and a local configuration to the gateway, wherein the gateway uses the initial setup configuration to automatically create multiple isolated configurations-per-enterprise” (’815 Patent, claim 8). Patent Owner asserts that we overlooked its argument in the Preliminary Response at page 43 that the Specification supports the interpretation that the recited “*initial setup configuration*” used by the gateway is *enterprise-specific* configuration

data (Req. Reh’g 12–14; Prelim. Resp. 43 (citing ’815 Patent 5:63–6:2, 9:54–58)).

We disagree we overlooked this argument because we addressed, in the Decision at pages 24–25, Patent Owner’s argument and the portion of the Specification cited by Patent Owner in support. Specifically, Patent Owner’s argument was considered and addressed in the Decision as follows:

Patent Owner further points to the preceding limitations recited in the claim, and contends although the “‘gateway’ did not initially possess the ‘*enterprise-specific configuration data*,’ it had to obtain it from the ‘edge device’” (Prelim. Resp. 40).

Patent Owner further points to the Specification as support (Prelim. Resp. 42–43 (citing ’815 Patent, 5:63–6:2, 9:54–58)). Specifically, the Specification describes “[e]nterprise-specific configuration data, including available gateways, can be downloaded . . . the available gateway(s) can be connected to by the entity in the cloud with the enterprise-specific configuration data” ([’]815 Patent, 5:67–6:1).

Claim 8, however, recites “the gateway has no initial setup configuration,” “a local configuration” is passed to the gateway, and “wherein the gateway uses the initial setup configuration to automatically create” (’815 Patent, 14:32–41). Thus, even in light of the ’815 Patent, the claim contradicts itself in reciting the gateway does not have an initial setup configuration and then uses the initial setup configuration. Although Patent Owner contends the gateway uses “enterprise-specific configuration data,” the claim does not recite this

(Dec. 24). Indeed, the claim does not recite the gateway uses the local configuration to “automatically create multiple isolated configurations-per-enterprise.” We determined, based on the record before us, “the claim, in light of the Specification, more likely than not, fails to delineate the bounds of the invention, to a skilled artisan” (*id.* at 25).

Accordingly, Patent Owner has not shown that we misapprehended or overlooked the argument presented in the Preliminary Response on page 43.

2. *Argument that Claim 8 is definite to one of ordinary skill in the art when considered in light of the Specification*

Patent Owner asserts that we overlooked the argument “that one of ordinary skill in the art would have been able to ascertain the scope and meaning of claim 8 when considered in light of the specification of the ’815 patent” (Req. Reh’g 14 (citing Prelim. Resp. 39–43)).

We disagree because the Decision at pages 24–25 addresses Patent Owner’s arguments regarding the claim’s scope and meaning to an ordinarily skilled artisan in light of the Specification (Dec. 24–25 (citing Prelim. Resp. 39–44)). A request for rehearing is not an opportunity to express mere disagreement with our Decision, or with our weighing of the evidence. Accordingly, Patent Owner has not shown that we misapprehended or overlooked the argument presented in the Preliminary Response on page 43.

3. *Argument that Nautilus is the correct indefiniteness Standard for PGRs*

Regarding claim 8, Patent Owner again asserts that *Nautilus* is the correct indefiniteness Standard for post-grant reviews (Req. Reh’g 15–16). As discussed above in Section III.A.3., we determine that our analysis and conclusions in the Decision support that claim 8 is more likely than not indefinite under 35 U.S.C. § 112(b) under both the *Nautilus* and *Packard* Standards (see Dec. 23–25).

IV. CONCLUSIONS

Insofar as we have addressed above the assertions set forth in Petitioner's Request for Rehearing, the Request is *granted*.

Patent Owner's Request for Rehearing is granted with respect to the institution of Claim 7 under 35 U.S.C. § 112(b). We modify the Order of the Decision to the extent that we do not institute on claim 7 under 35 U.S.C. § 112(b). That is, we institute a post-grant review of claims 1–6 and 8–11 of the '815 Patent on the challenge that these claims are indefinite and unpatentable under 35 U.S.C. § 112(b) (Dec. 56).

For all other aspects, we determine, however, Patent Owner has not demonstrated that our Decision is based on an erroneous interpretation of law, is based on a factual finding not supported by substantial evidence, or represents an unreasonable judgment in weighing relevant factors (*see Star Fruits*, 393 F.3d at 1281). Accordingly, we are not persuaded that we abused our discretion when instituting review, and Patent Owner's Request for Rehearing is denied with respect to making any modification to our Decision other than the Order as discussed above or as noted below.

V. ORDER

Accordingly, it is

ORDERED that Patent Owner's Request for Rehearing is *granted* with respect to the institution of claim 7 under 35 U.S.C. § 112(b). We modify the Order of the Decision to the extent that we do not institute on claim 7 under 35 U.S.C. § 112(b). All other grounds of institution are

unchanged. The Order in the Decision on page 56, second “ORDERED” statement, is modified to read as follows:

ORDERED that pursuant to 35 U.S.C. § 324(a), a post-grant review of claims 1–6 and 8–11 of the ’815 Patent is *instituted* on the challenge that these claims are indefinite and unpatentable under 35 U.S.C. § 112(b);
and

FURTHER ORDERED that, with respect to all other parts of Patent Owner’s Request for Rehearing, the Request is *denied*.

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