UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

VMWARE, INC.,
Petitioner

v.

INTELLECTUAL VENTURES I, LLC,
Patent Owner

Case IPR2020-00470
Patent 7,949,752

PATENT OWNER'S SUR-REPLY TO PETITIONER'S REPLY BRIEF TO PATENT OWNER'S PRELIMINARY RESPONSE

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I. INTRODUCTION

The Board should exercise its discretion under 35 U.S.C. § 314(a) to deny institution based on its precedential decisions in *NHK Spring*[1] and *Fintiv*.[2] Duplicating the district court's efforts in this proceeding would not be an efficient use of the Board's resources. Further, Petitioner ("VMware") goes beyond the scope of the *Fintiv* factors and improperly used its Reply to address the merits of the Patent Owner's Preliminary Response. The Board should not consider or give any weight to VMware's attempt to remedy its flawed Petition.

II. ALL SIX *FINTIV* FACTORS SUPPORT DENIAL UNDER 35 U.S.C § 314(A).

As discussed below, all six of the *Fintiv* factors weigh substantially in favor of the Board exercising its discretion under 35 U.S.C. § 314(a) to deny the Petition.

A. There is currently no stay in the parallel district court litigation and no evidence exists that one will be granted if trial is instituted (Factor 1).

The first factor favors denial. There is currently no stay in the parallel district court proceeding. And VMware provides no evidence indicating that the district

[1] *NHK Spring Co., Ltd. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (P.T.A.B. Sept. 12, 2018) (precedential).

[2] *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (P.T.A.B. Mar. 20, 2020) (precedential).

court would be inclined to grant a stay if the Petition was instituted. Rather, VMware merely states that no stay has been issued and Factor 1 does not weigh against instituting *inter partes* review ("IPR"). Paper 9, 8. VMware's cursory statement fails to address the second consideration in Factor 1—whether a stay is likely to be granted if IPR is instituted.

Judge Alan Albright, who is presiding over the parallel proceeding, is unlikely to issue a stay if the IPR is instituted in this case. Judge Albright has previously denied a motion to stay when an IPR was instituted after claim construction was fully briefed and shortly before the claim construction hearing. *MV3 Partners LLC v. Roku Inc.*, 6:18-cv-00308, ECF No. 83 at 53 (W.D. TX July 22, 2019). The current parallel proceeding is even further along than the proceeding in *MV3 Partners*; the parties have already engaged in discovery and completed claim construction briefing, and the court has conducted a *Markman* hearing and issued its claim construction order. Additionally, final invalidity and infringement contentions will be served prior to issuance of any institution decision. EX1012, Scheduling Order, 6. Judge Albright is therefore highly unlikely to grant a stay if the Petition is instituted, and Factor 1 weighs in favor of denial.

B. The district court trial will be completed before the Board's projected statutory deadline (Factor 2).

The second *Fintiv* factor favors denial. The trial in the parallel proceeding is currently scheduled to begin and conclude in April 2021, months before the Board's projected statutory deadline. That trial date has not been changed.

VMware argues that the trial court will push back the trial date, which makes it more likely than not that trial will occur after the Board issues a Final Written Decision. Paper 9, 8. VMware's argument is pure speculation and mischaracterizes the Judge's statements. According to VMware, during the *Markman* hearing the Judge suggested trial will be held between June and late December 2021. VMware misstates the Judge's words. The Judge used "June" and "Christmas 2021" as possible dates that the parties might propose when deciding when to schedule trial. EX1027, Telephonic Transcript (05-14-2020), 64:11-19. Before stating these dates, the Judge explicitly states "I'll make this up." *Id.*, 64:11.

There is no evidence that the trial date will occur between June and December, or that it will differ significantly from the currently scheduled April trial date. During the *Markman* hearing, the Judge initially suggested trial may be set for May 2021—a date very close to the currently scheduled date of April 2021. However, due to the large number of patents asserted, the Judge was open to a different date and wanted the parties to begin thinking about dates they thought would be fair. *Id.*, 63:6-20.

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