UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

FUJITSU NETWORK COMMUNICATIONS, INC.
Petitioner

v.

CAPELLA PHOTONICS, INC.
Patent Owner

Inter Partes Review Case No. IPR2015-00727
Patent No. RE42,678

PETITIONER'S REPLY TO PATENT OWNER'S RESPONSE

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I. INTRODUCTION

The Patent Owner has failed to present any reason for the Board to depart from its determination that Petitioner Fujitsu Network Communications, Inc. ("FNC" or "Petitioner") should prevail on all challenged claims.

II. RESPONSES TO PATENT OWNER'S ARGUMENTS

A. Patent Owner's Estoppel Argument Is Erroneous

Patent Owner contends that this IPR "should be terminated under 35 U.S.C. § 315(e)(1) as to any claim that is later confirmed in" IPR2014-01276. Resp. at 20. As an initial matter, the Board determined that all challenged claims are unpatentable in IPR2014-01276 and thus Patent Owner's argument should be dismissed as moot since no challenged claim has been confirmed. *See* Ex. 1039 at 51.

Moreover, the estoppel of § 315(e)(1) does not apply to FNC based on IPR2014-01276 because FNC was not a petitioner in that IPR. Section 315(e)(1) states:

> The *petitioner in an inter partes review* of a claim in a patent under this chapter *that results in a final written decision* under section 318(a), or the real party in interest or privy of the petitioner, may not request or maintain a proceeding before the Office with respect to that claim on any ground that the petitioner raised or reasonably could have raised during that inter partes review.

35 U.S.C. § 315(e)(1) (emphasis added).

PTO rules define "petitioner" as "*the party filing a petition requesting that a trial be instituted*." 37 C.F.R. § 42.2 (emphasis added). FNC was not a party to the filing of the petition requesting institution of the trial in IPR2014-01276. *See Cisco Systems, Inc. v. Capella Photonics, Inc.*, IPR2014-01276, Paper No. 2 (P.T.A.B. Aug. 12, 2014). Rather, more than seven months after the Board instituted the trial in that IPR, *Cisco Systems, Inc. v. Capella Photonics, Inc.*, IPR2014-01276, Paper No. 8 (P.T.A.B. Feb. 18, 2015), FNC was joined by order of the Board. *See Ciena Corp. v. Capella Photonics, Inc.*, IPR2015-00894, Paper No. 12 (P.T.A.B. Sept. 22, 2015). Thus, FNC is not a petitioner in IPR2014-01276 under PTO rules.

The decisions cited by Patent Owner are inapposite and actually confirm that the party must have filed the petition in the earlier IPR before estoppel could attach in a subsequent IPR. Unlike here where FNC did not file the petition in IPR2014-01276, Apotex filed the petitions in both of the IPRs at issue where it was found to be estopped. *Apotex Inc. v. Wyeth LLC*, IPR2015-00873, Paper No. 8 at 1 (P.T.A.B. Sept. 16, 2015). The same was true in the Dell IPRs. *Dell Inc. v. Elecs. & Telecomms. Research, Inst.*, IPR2015-00549, Paper No. 10 at 1 (P.T.A.B. Mar. 26, 2015). Patent Owner has no support for its position that contradicts the PTO Rule. Thus, Patent Owner's premise that FNC qualifies as a petitioner by being

"involved" in an "earlier-filed IPR," Resp. at 20, is incorrect. *See* 37 C.F.R. § 42.2.[1]

In addition, Patent Owner's assumption that the grounds presented in this IPR "reasonably could have [been] raised" in IPR2014-01276 is meritless. Patent Owner draws this conclusion simply because it contends that FNC knew about Bouevitch, Carr, and Sparks at the time. *See* Resp. at 22 (citing Ex. 2029). But as stated above FNC was not a party to the petition filed in IPR2014-01276. *Cisco Systems, Inc. v. Capella Photonics, Inc.*, IPR2014-01276, Paper No. 2 (P.T.A.B. Aug. 12, 2014). Furthermore, Patent Owner has no evidence to show that FNC had any involvement with or even knew about the IPR2014-01276 petition prior to its filing. Thus, FNC had no opportunity to raise the references from this IPR at the time that Cisco prepared and filed the petition in IPR2014-01276.

Moreover, at the time FNC sought to join IPR2014-01276, *Ciena Corp. v. Capella Photonics, Inc.*, IPR2015-00894, Paper No. 5 (P.T.A.B. Mar. 17, 2015), FNC had already filed the petition of the present IPR and IPR2014-01276 had already been instituted. *See* Paper No. 1 (petition filed February 12, 2015); *Cisco*

[1] Capella has not alleged and there is no basis to allege that FNC was a real party in interest or privy of the petitioner (Cisco Systems, Inc.) in IPR2014-01276. Thus, the "the real party in interest or privy of the petitioner" provision of § 315(e)(1) is inapplicable.

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