

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

NETAPP INC.,
Petitioner

v.

REALTIME DATA LLC
Patent Owner

Case IPR2017-01660
Patent 7,161,506

**PATENT OWNER'S RESPONSE TO
PETITIONER'S SUPPLEMENTAL BRIEF REGARDING
*GENERAL PLASTIC FACTORS***

I. The first *General Plastic* factor is not dispositive, and the Board should consider *all* relevant factors in its decision.

In *General Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 18 (Sept. 6, 2017) (precedential), the Board provided “a baseline of [seven] factors to be considered” as to “follow-on petitions” against a given patent.

The premise of NetApp’s supplemental brief is that the seven *General Plastic* factors should be reinterpreted as a two-part test: if the first factor is not met, NetApp urges that alone “should be *dispositive*, and that the rest of the *General Plastic* factors should *not outweigh this factor*. . . .”. Supp. Resp. 2 (emphasis added).

The Board has previously rejected that premise. In *Samsung Electronics v. ELM 3DS Innovations*, IPR2017-01305, Paper 11 at 19 (Oct. 17, 2017), the Board acknowledged that Samsung had not previously sought review of the patent, but nonetheless concluded that “the high degree of similarity” between Samsung’s petition and two prior petitions “reduce[d] the weight” of the first factor. The Board then denied institution based on its analysis of all seven factors. *Id.*

Indeed, as the Board made clear in *General Plastic*, its “intent in formulating the factors was to take *undue inequities and prejudices to Patent Owner into account*.” *Gen. Plastic* at 17 (emphasis added). Thus the Board recognized that, “*all other factors aside*,” the use of “[m]ultiple, staggered petitions challenging the same patent and same claims” creates “the potential for abuse,” allows later

petitioners to use the Board’s prior decisions “as a roadmap,” and is “unfair to patent owners.” *Id.* at 17-18 (emphasis added). The Board thus noted that considering factor 3—“all other factors aside”—allows it to take these issues into account. *Id.* It also noted that factors 2, 4, and 5 remain similarly relevant. *Id.*

NetApp’s request that the Board treat *General Plastic*’s first factor as dispositive is thus contrary to *General Plastic*’s express language and purpose. If the Board were to accept NetApp’s argument, it would divest itself of the discretion to deny follow-on petitions by a new petitioner that would create a significant waste of the Board’s resources and significant prejudice to patent owners, as here. The Board should not so limit its discretion, or *General Plastic*.

II. The *General Plastic* factors support denial of NetApp’s delayed follow-on petitions, as the Board has already found in three other cases.

Patent Owner’s Preliminary Response presented a detailed analysis of all seven *General Plastic* factors, which explained when NetApp should have known of the relevant art, how long it delayed filing its petition, and that institution would waste the Board’s resources and prejudice Patent Owner. Prelim. Resp. 5-10.

In presenting that analysis, the Preliminary Response carefully tracked two recent Board decisions that applied the *General Plastic* factors and declined to institute similar NetApp follow-on petitions. *Id.* (discussing IPR2017-01195, Paper 9 (Oct. 12, 2017) (“530 Decision”) and IPR2017-01196, Paper 10 (Oct. 13, 2017) (“908 Decision”). Since then—and prior to NetApp’s supplemental response

here—the Board subsequently denied a *third* NetApp follow-on petition against a Realtime patent, applying a similar *General Plastic* analysis. See IPR2017-01354, Paper 16 (Nov. 14, 2017) (“’728 Decision”).

NetApp’s follow-on petition here should be denied for the same reasons as the Board’s decisions in the three prior cases. Indeed, NetApp’s supplemental response does not attempt to distinguish the present case from the prior decisions, but instead merely repeats arguments that the Board has already rejected.

For example, NetApp’s argument that ***Factor 1*** should be dispositive—discussed above—was rejected when NetApp previously presented it. ’728 Decision at 10 (“NetApp’s argument [that Factor 1 should be dispositive] is contrary to the Board’s precedent holding that each of the seven non-exclusive *General Plastic* factors is to be considered and weighed according the facts of the particular case.”).

Similarly, NetApp proposes that ***Factor 2*** “weighs in favor [of] considering the Petition.” Supp. Resp. 3. But each of the three prior Board decisions has found that “Factor 2 is directed to situations in which the same petitioner files two separate petitions at different times” and is therefore “neutral” under the present circumstances. ’728 Decision at 11; ’530 Decision at 10; ’908 Decision at 10.

Factors 3 and 4 relate to the length of delay in Petitioner’s filing and whether that delay allowed it to consider substantive developments in the earlier

proceedings. Patent Owner's Preliminary Response presented a detailed timeline of when NetApp knew of the relevant art, the length of delay before filing, and the numerous developments in related proceedings that occurred during that delay. Prelim. Resp. 6-8. NetApp's supplemental response does not contest that timeline, but instead urges that "this factor should be neutral" because "the existing IPR did not address all of the grounds of unpatentability that NetApp had identified" and that it filed "before the statutory bar." Supp. Resp. 3-4.

Contrary to NetApp's argument, however, the Board's prior institution denials have repeatedly found that these factors weigh against institution. '728 Decision at 11-12; '530 Decision at 11; '908 Decision at 10-11. Indeed, relative to those prior denials, the facts of this case weigh *even more heavily against* institution. That is because although NetApp knew or should have known of the relevant prior art at approximately the same time here as in the three previous cases, NetApp delayed *even longer* in this proceeding before filing its petition. *Compare* Prelim. Resp. 6 ("NetApp filed this Petition on June 22, 2017") *with* '530 Decision at 12 (waiting until March 30, 2017); '908 Decision at 12 (same); '728 Decision at 12 (waiting until May 2, 2017). And during the longer delay here, Realtime submitted additional substantive responses in related earlier-filed proceedings. *See, e.g.*, IPR2017-00806, Paper 11 (May 22, 2017) (Patent Owner's Preliminary Response in a proceeding against the '506 patent challenged here).

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