

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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ZTE (USA), INC.  
Petitioner,

v.

FRACTUS, S.A.  
Patent Owner.

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Case IPR2018-01461  
Patent 9,054,421

**PATENT OWNER'S OPPOSITION TO  
PETITIONER'S REQUEST FOR REHEARING**

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Patent Trial and Appeal Board  
U.S. Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450

Pursuant to the Board's Order of April 10, 2019, Patent Owner (PO) provides this Opposition to the Request for Rehearing (Request).

**Petitioner Incorrectly Alleges that the Related Litigation is Stayed**

While addressing the Board's decision under §314, Petitioner states that the related litigation "has been stayed since October 4, 2018" and "[t]he court recently reaffirmed the stay." Request at 2, 14. This is not the case. For example, on March 15, 2019, the court issued a claim construction order reaffirming the earlier construction of the terms relevant to the present proceeding. Ex2038, *passim*. Petitioner failed to provide the Board with this order even though it was issued on the same day as Petitioner's Ex. 1029 from the litigation. While litigation deadlines were technically stayed pending the new court's scheduling order, the claim construction order evidences the new court's clear intent to proceed with the case.

The parties are also proceeding with the case. On April 12, 2019, the parties submitted a Joint Notice Regarding Scheduling Conference (1) requesting a trial date predating any conclusion to an instituted IPR, (2) confirming that fact discovery has completed, and (3) requesting a close to expert discovery on May 31, 2019. Ex2039 at 1-3. Therefore, as noted in the POPR, the litigation is in its final stages and will likely go to trial before a completed IPR.

**Subsequent Litigation Developments Reinforce Exercising § 314 Discretion**

The above-referenced claim construction order and joint notice illustrate that

the Board correctly exercised its § 314 discretion. The Board looks to claim construction orders and discovery status as sign posts for applying the reasoning of *NHK Spring Co. v. Intri-Plex Technologies*, IPR2018-00752, Paper 19 (Sept. 12, 2018), to the exercise of § 314 discretion. See, e.g., *Facebook, Inc. v. Search & Soc. Media Partners, LLC*, IPR2018-01622, Paper 8 at 10 (Mar. 4, 2019); *Mylan Pharm. Inc. v. Gmbh*, IPR2018-01670, Paper 19 at 11 (Apr. 3, 2019); *Amazon.com, Inc. v. Customplay, LLC*, IPR2018-01498, Paper 13 at 9 (Mar. 14, 2019). Contrary to cases where the Board declined to follow *NHK*, the litigation has issued *two* claim construction orders, fact discovery is complete, and expert discovery is closing shortly. Ex2016; Ex2038; Ex2039 at 1-3. Instituting IPR would result in further duplication of the claim construction work, and the IPR proceeding would conclude after the parties' requested trial date, a waste of the Board's resources justifying the application of the reasoning of *NHK*.

### **Petitioner's Arguments Regarding Potential Litigation Stays are Inapplicable**

Petitioner argues that the Litigation could be stayed in response to an instituted IPR. Request at 14. The Board does not consider such speculative arguments when exercising its discretion under § 314. *Amazon.com, Inc. v. Customplay, LLC*, IPR2018-01498, Paper 13 at 10 (Mar. 14, 2019).

### **Petitioner's *Becton Dickinson* Analysis Should have been in the Petition**

Petitioner's *Becton Dickinson* factors analysis could and should have been

presented in the Petition. The Request does not attempt to make the required showing of good cause for a post-petition analysis of the factors.

First, the Board correctly denied Petitioner a reply to the Patent Owner Preliminary Response (POPR) as Petitioner erred in failing to address the *Becton Dickinson* factors in the Petition. The Petition was filed months after the *Becton Dickinson* case was designated informative, and the Petition identifies all of the proceedings discussed in the *Becton Dickinson* analyses in the POPR and the Institution Decision. Petition at 2-4. Therefore, PO's analysis of the *Becton Dickinson* factors was foreseeable and should have been addressed in the Petition.

Petitioner requested a reply to the POPR in its email of 12/21/2018, PO noted there was no good cause for replies in the same email, and the Board considered and correctly denied Petitioner's request. Email of 12/27/2018 ("[T]he panels for the respective proceedings have considered Petitioner's request to file Replies to the Preliminary Responses, and deny the requests."). Petitioner does not argue that the decision to deny the replies was incorrect, and does not attempt to make the necessary good cause showing to address the *Becton Dickinson* factors, failing to even re-raise its un-foreseeability argument from its email request. Petitioner cannot show that the Board overlooked or misapprehended the *Becton Dickinson* factor analysis because Petitioner's analysis of the factors was not presented in the Petition and there has been no showing of good cause for Petitioner's failure to include it in

the Petition. If an error exists in the Decision, it is a misstatement regarding the procedural history. Denying the request for a reply was not an error.

**The Evaluation of the Becton Dickinson Factors was Reasonable and Correct**

The Board's evaluation of the *Becton Dickinson* factors was reasonable and correct. The examiner who allowed the claims during the prosecution of the '421 Patent considered each of Misra I, Misra II and Grangeat. *See, e.g.*, POPR at 20-25. The examiner also considered claim charts directed to Misra I, Misra II and references the Office deemed cumulative to Grangeat. *Id.*

It is reasonable and correct to conclude from these facts that *Becton Dickinson* factors 1- 5 weigh in favor of denying institution. The art previously considered by the Office and cited in the IPRs is identical; therefore, factors 1 and 2 weigh in favor of denial. The art was evaluated in conjunction with claim charts applying their teachings or cumulative teachings to claims in related patents sharing the same disclosure as the '421 Patent. Thus, it is reasonable to conclude that this was extensive evaluation, and factor 3 weighs in favor of denial. It is reasonable to conclude from the content of the charts and other reexamination documents that there is significant overlap with the IPR arguments. Therefore, factor 4 weighs in favor of denial. As the Decision notes, there is *no* discussion in the Petition of how the Office erred in its application of this art. Decision at 13. Therefore, factor 5 weighs in favor of denial.

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