Paper No. 10
May 10, 2021

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

XILINX, LLC,
Petitioner,

v.

FG SRC LLC,
Patent Owner.

IPR2021-00633
Patent No. 7,149,867

PATENT OWNER FG SRC LLC'S SURREPLY IN SUPPORT OF ITS OPPOSITION TO PETITIONER'S MOTION FOR JOINDER AND REPLY IN SUPPORT OF ITS MOTION FOR ADDITIONAL DISCOVERY

Petitioner's Reply (Paper 9, "Reply") disingenuously dismisses its statutory obligations regarding the disclosure of all real parties in interest: "If Patent Owner raises that ineffectual issue in the Intel IPR, it will be because Patent Owner chose to do so, not because joinder imposed the issue." Reply at 1. Petitioner simply ignores 35 U.S.C.A. §312(a)(2), which requires that for every IPR, "the petition identifies all real parties in interest." It is Patent Owner's obligation as the adverse party to point out Petitioner's shortcomings, particularly, when Petitioner explicitly admits that "Petitioner and Amazon have coordinated" on certain matters. Reply at 4. Petitioner then proceeds to discuss its relationship with Amazon over the next nine pages of its brief. None of this discussion is relevant to the Intel IPR. Petitioner's suggestion that it would be able to join the Intel IPR as a "silent understudy" is plainly legal fiction.

1. WHETHER AMAZON IS AN RPI IS A *SINE QUA NON* THRESHOLD ISSUE.

Petitioner ignores the most basic aspect of joinder—that it requires a proper second petition which itself warrants the institution of an *inter partes* review: "the Director, in his or her discretion, may join as a party to [an already instituted IPR] any person who properly files a petition under section 311 that . . . warrants the institution of an *inter partes* review under section 314." 35 U.S.C.A. §315(c). Although Petitioner is correct in stating that a time-barred

party can still be joined to an existing IPR (Reply at 1), that does not relieve the Petitioner from its obligation to satisfy the RPI disclosure requirement of §312. 35 U.S.C.A. §312(b)(2). Failure to meet this requirement can itself be a reason to deny institution of a petition. *See*, *e.g.*, *Worlds Inc. v. Bungie, Inc.*, 903 F.3d 1237, 1240 (Fed. Cir. 2018) ("Under 35 U.S.C. §312(a)(2), an IPR petition 'may be considered only if ... the petition identifies all real parties in interest.'"); *ARRIS Int'l. PLC v. Chanbond, LLC*, (Fed. Cir. Dec. 27, 2018) (accepting PTAB decision denying institution based upon a failure to disclose real parties in interest.). "Correctly identifying all real parties in interest with respect to each IPR petition is important, as the determination may impact whether a petition may be instituted." *Id.* Petitioner's failure to identify Amazon as an RPI in itself precludes its Petition from being instituted which renders its Motion to Join moot.

2. THE FACTS STRONGLY SUPPORT THAT AMAZON IS AN RPI OF XILINX, AND THAT THEY ARE OPERATING IN CONCERT.

First, Petitioner admits that the Amazon suit was filed on Oct. 18, 2017 and that Petitioner was aware of and even participated in that suit, and that it even produced relevant technical documents. Reply at 2. Second, Petitioner admits that "Patent Owner sued Petitioner on a new theory that Petitioner's FPGA products, separate and apart from their unique deployment by Amazon"

infringe the '867 patent on April 30, 2020. *Id.* Petitioner, thus, admits two relevant points: (1) Patent Owner originally sued Amazon based on the unique deployment of Petitioner's products by Amazon, and (2) when it became apparent that Petitioner's products infringed the asserted patent "separate and apart from their unique deployment by Amazon," Patent Owner timely initiated a separate suit against Petitioner. Petitioner effectively admits that Patent Owner proceeded in good faith against both Amazon and Xilinx on separate infringement theories as soon as it became aware of their infringement. Petitioner's derogatory attorney argument that "Patent Owner was really just lying in wait" is unsupported conjecture and—even if true—would be irrelevant to Xilinx's obligation to disclose all RPIs. Similarly, Petitioner's attorney argument that "Patent Owner purposefully withheld its infringement allegations against Petitioner until after Amazon's time bar" hardly deserves a response as it is belied by the fact that both Amazon and Xilinx actually filed timely IPRs, each strategically challenging only certain non-overlapping sets of Patent Owner's patents.

Petitioner even goes so far as to argue that "Patent Owner's surprise suit is why Petitioner did not initiate an IPR sooner." Reply at 2. This is a flat-out misdirection by omission. Petitioner did not initiate an IPR against this patent sooner, but it did initiate an IPR against U. S. Patent No. 9,153,311 ("'311

patent"), even though it had not been accused of infringement. The question as to "why" is answered by the fact that its RPI Amazon had been sued. Both the '867 patent and the '311 patent were asserted against Xilinx's RPIs Amazon.com, Inc. and Amazon Web Services, Inc. ("Amazon") in *SRC Labs, LLC et al., v. Amazon Web Services, Inc.*, et al., No. 1:17-cv-01227 (E.D. Virginia), filed Oct. 18, 2017; *SRC Labs, LLC et al., v. Amazon Web Services, Inc.*, et al., No. 2:18-cv-00317 (W.D. Washington), filed Feb. 26, 2018; and SRC *Labs, LLC et al. v. Amazon Web Services, Inc. et al.*, Case No. 2:17-00547 (E.D. Virginia), filed Oct. 18, 2017.[1] In each of these cases, Patent Owner alleged that Amazon's products infringe both the '867 patent and the '311 patent based on its usage of Xilinx FPGA products.

In response, Xilinx has closely cooperated with Amazon in its defense. In a divide-and-conquer strategy, Xilinx challenged the '311 patent in IPR2018-01395 and Amazon challenged the '867 patent in IPR2019-00103. Both petitions were denied (IPR2018-01395, Paper 17 and IPR2019-00103, Paper 22). This time around, the Xilinx/Amazon team is challenging the '867 patent in Xilinx's name. Allowing such gamesmanship will certainly encourage similarly situated defendants to cooperate in a likewise manner.

[1] Case No. 2-17-00547 was consolidated with Case No. 1-17-cv-01227, and the consolidated case was transferred to the Western District of Washington in Case No. 2:18-cv-00317 on February 26, 2018.

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