

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ZYXEL COMMUNICATIONS CORPORATION,

Petitioner,

v.

UNM RAINFOREST INNOVATIONS,

Patent Owner.

Case IPR2021-00734

Patent 8,265,096

**PETITIONER ZYXEL COMMUNICATIONS CORPORATION'S REPLY
TO UNM RAINFOREST INNOVATIONS' PRELIMINARY RESPONSE**

Pursuant to the Board’s authorization (Paper 14 at 3), ZyXEL Communications Corporation (“ZyXEL” or “Petitioner”) files this reply to UNM Rainforest Innovations’ Preliminary Response (Paper 12) (“POPR”).

UNM argued that *Fintiv* Factor 2 weighs against institution because of the proximity of the trial date in *UNM Rainforest Innovations v. ZyXEL Commc’s Corp.*, No. 6:20-cv-00522-ADA (W.D. Tex.) (“the ZyXEL litigation”), which previously was set for trial in April 2022. POPR at 8. In addition, based solely on the composition of the Petition’s cover page, UNM argued that it was an “*in rem* petition” that “explicitly introduces the issue of patent ownership” and is not authorized under 35 U.S.C. § 311(A). *Id.* at 5-6. Both arguments are misplaced—*Fintiv* Factor 2 does not weigh against institution, and ZyXEL’s Petition is not an “*in rem* petition” and does not fail to satisfy any *inter partes* requirement. Moreover, UNM’s already flawed arguments regarding *Fintiv* Factor 2 have since been entirely upended because, on July 28, 2021, the District Court stayed the ZyXEL litigation. In the IPR to which ZyXEL’s Petition seeks joinder, this Board already has determined that an identical stay entered in the Dell litigation “weigh[ed] against discretionary denial” of the Qualcomm Petition. *Qualcomm Inc., v. UNM Rainforest Innovations*, IPR2021-00375, Paper 14 at 10 (PTAB July 19, 2021).

I. ARGUMENT

A. The District Court Case Against ZyXEL Has Been Stayed, And Trial May Never Occur

UNM argues that the trial date in the ZyXEL litigation, *previously* scheduled to begin on April 4, 2022, “favors denying institution.” POPR at 8. After UNM’s POPR, however, Judge Albright stayed the Dell litigation based on a lawsuit that UNM filed in New Mexico state court to determine ownership of the ’326, ’096, and ’204 patents. *See* June 22, 2021 Text Order in *UNM Rainforest Innovations v. Dell Techs.*, No. 6:20-cv-00468-ADA granting motion to stay “pending resolution of patent ownership issues in *UNM Rainforest Innovations v. Industrial Technology Research Institute, et al.*, case number D-202-CV-2021-02803 in the Second Judicial District Court of Bernalillo County, New Mexico.” On July 28, 2021, Judge Albright also *stayed the ZyXEL litigation* for the same reasons as he stayed the Dell litigation. *See* July 28, 2021 Text Order in *UNM Rainforest Innovations v. ZyXEL Commc’s Corp.*, No. 6:20-cv-00522-ADA (W.D. Tex.) (staying the ZyXEL litigation “pending resolution of patent ownership issues” in the New Mexico lawsuit).

UNM just recently filed the New Mexico lawsuit on May 4, 2021. Paper 9 (Petitioner’s Updated Mandatory Notices) at 1. All proceedings in the ZyXEL litigation are *stayed indefinitely*, and, if the New Mexico court rules that UNM does not own the ’096 patent, then a trial will *never occur* in the ZyXEL litigation. If the ZyXEL litigation were to emerge from a stay at some unknown time, the case schedule would need to be reset, leaving complete uncertainty about a trial date.

Because of this complete uncertainty as to whether or when a trial will ever occur in the ZyXEL litigation, *Fintiv* factor 2 weighs against exercising discretion to deny institution. See *Qualcomm Inc., v. UNM Rainforest Innovations*, IPR2021-00375, Paper 14 at 10 (PTAB July 19, 2021) (based on the stay of the Dell litigation in view of UNM’s filing of the New Mexico state court case, finding that “the considerations of the second *Fintiv* factor weigh against discretionary denial”); see also *Shenzhen Carku Tech. Co., Ltd. v. Noco Co.*, IPR2020-00944, Paper 20 at 58-60 (PTAB Nov. 12, 2020) (“The proximity factor in *Fintiv*, on its face, asks us ... not to speculate as to trial dates that are still to-be-determined [*Fintiv* factor 2] weighs strongly against exercising discretion to deny the Petition.”).

B. ZyXEL’s Petition Is Not An “*In Rem* Petition,” And ZyXEL Has Not Raised An Ownership Issue In This Proceeding

Based solely on ZyXEL’s styling of the cover page of its Petition,¹ UNM argues that ZyXEL’s Petition is an “*in rem* petition” that somehow “does not satisfy the *inter partes* requirement” and that it “explicitly introduces the issue of patent ownership in this forum.” POPR at 5-6. Neither argument has merit.

ZyXEL’s Petition does not seek *in rem* review. To the contrary, the cover page clearly states that it is a petition for “*INTER PARTES* REVIEW.” Pet. (Paper 1) at

¹ In this filing, Petitioner has adopted the format of the caption encouraged by the Board in the Notice of Filing Date. Paper 4 at 2.

caption. And, the header of the pages in the Petition is titled as “Petition for *Inter Partes* Review of ’096 Patent (IPR2021-00734).” The Petition identifies UNM as the current assignee of record for the ’096 patent (*id.* at 2), and the Petition complied with the obligation to serve the correspondence address of record for the ’096 patent (*id.* at 75). Furthermore, UNM has been an active participant in this IPR proceeding, having filed its Mandatory Notices, Opposition to ZyXEL’s Motion for Joinder, and Preliminary Response, as well as participating in two hearings before the Board. UNM’s argument that ZyXEL’s Petition initiated an *in rem* proceeding is absurd.

While ownership of the patent is in dispute, as UNM plainly admitted by filing the additional lawsuit seeking a declaration that it actually owns the patents that it has asserted in the ZyXEL litigation, nothing in ZyXEL’s Petition sought to have the Board rule on patent ownership, and, as ZyXEL stated in its reply in support of its motion for joinder, ZyXEL “does not seek to have the Board decide the issue of ownership of the ’096 patent.” Paper 8 at 1 (emphasis in original). Despite this clear statement, UNM argues, without support, that the caption to ZyXEL’s Petition somehow “requir[es] the PTAB to rule on [the] issue [of patent ownership].” POPR at 6. Again, UNM’s argument is baseless.

II. CONCLUSION

For the foregoing reasons, denial under §§ 311 or 314 is not appropriate.

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