UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MICROSOFT CORPORATION,
Petitioner,

v.

DAEDALUS BLUE, LLC,
Patent Owner.

Case IPR2021-00832
Patent No. 8,381,209

PATENT OWNER'S PRELIMINARY RESPONSE UNDER 37 C.F.R. §42.107

DOCKET ALARM
Find authenticated court documents without watermarks at docketalarm.com.

TABLE OF CONTENTS

Page

I. Introduction....1

II. The '209 Patent....5

III. File History....10

IV. Claim Construction....13

A. Legal Standard....13

B. Level of ordinary skill....14

C. "enforcing network security and routing at the hypervisor layer via dynamic updating of routing controls"....15

V. Institution should be denied because Petitioner has failed to show a reasonable likelihood of success on any challenged claim....16

A. Petitioner's cited references....16

B. There is no reasonable likelihood that Petitioner will prevail in its contention that the challenged claims are rendered obvious by Dhawan in view of Clark and the "knowledge of a POSITA" (Ground 1)....22

1. Petitioner has not shown that Dhawan discloses "a computer implemented method of controlling network security of a virtual machine" [Element 1pre]....23

a) The preamble is limiting because it provides an antecedent basis for the claimed "said virtual machine."....24

b) The file history further demonstrates that the preamble is limiting....25

c) Dhawan does not disclose the preamble [Element 1pre]....27

DOCKET ALARM
Find authenticated court documents without watermarks at docketalarm.com.

2. Petitioner has not shown that Dhawan alone or in view of Clark and the "knowledge of a POSITA" discloses or renders obvious Element 1A (Ground 1). 29

3. Petitioner has not shown that a POSITA would have been motivated to combine Dhawan and Clark as argued. 40

VI. The Board should exercise its discretion to deny institution under Section 314(a) 42

A. The investment of the court and the parties in the district court litigation, addressing identical issues to be decided before the Board's Final Written Decision, warrants discretionary denial under 35 U.S.C. §314(a) 43

1. Petitioner's admissions in the district court indicate that no stay will issue (Fintiv factor 1). 44

2. The district court has set a trial date—not an "estimate"—which precedes this Board's Final Written Decision (*Fintiv* factor 2). 44

3. The substantial investment in the parallel proceeding by the court and the parties favors institution denial (*Fintiv* factor 3). 45

4. The overlap of issues raised in the Petition favors institution denial (*Fintiv* factor 4). 47

5. The petitioner and the defendant are the same party (*Fintiv* factor 5). 49

6. Discretionary denial is appropriate where, as here, merits of the lone ground are lacking and antedating issues should be addressed at the district court (*Fintiv* factor 6). 49

VII. Conclusion 52

DOCKET ALARM
Find authenticated court documents without watermarks at docketalarm.com.

TABLE OF AUTHORITIES

Page(s)

Cases

Apple Inc. v. Fintiv, Inc.,
IPR2020-00019 (P.T.A.B. Mar. 20, 2020) ..... passim

ATI Techs. ULC v. Iancu,
920 F.3d 1362 (Fed. Cir. 2019).....50

Bio-Rad Labs., Inc. v. 10X Genomics Inc.,
967 F.3d 1353 (Fed. Cir. 2020).....24

Brassica Prot. Prods. LLC v. Sunrise Farms (In re Cruciferous Sprout Litig.),
301 F.3d 1343 (Fed. Cir. 2002)..... 25,

General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha,
IPR2016-01357 (P.T.A.B. Sept. 6, 2017) (Precedential) 42

Harmonic Inc. v. Avid Tech., Inc.,
815 F.3d 1356 (Fed. Cir. 2016).....

In re Fought,
941 F.3d 1175 (Fed. Cir. 2019).....24

NHK Spring Co., Ltd. v. Intri-Plex Technologies, Inc.,
IPR2018-00752 (P.T.A.B. Sept. 12, 2018)..... 42,

On Demand Mach. Corp. v. Ingram Indus.,
442 F.3d 1331 (Fed. Cir. 2006).....25

Perfect Surgical Techniques, Inc. v. Olympus Am., Inc.,
841 F.3d 1004 (Fed. Cir. 2016).....

Phillips v. AWH Corp.,
415 F.3d 1303 (Fed. Cir. 2005).....13

Sandoz Inc. v. Abbvie Biotechnology Ltd.,
IPR2017-01987, 2018 WL 1230583 (P.T.A.B. Mar. 9, 2018).....14

DOCKET ALARM
Find authenticated court documents without watermarks at docketalarm.com.

Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.,
200 F.3d 795 (Fed. Cir. 1999).....14

Statutes

35 U.S.C. §121.....11

35 U.S.C. §314(a) 4,

Regulations

83 Fed. Reg. 51341 13

DOCKET ALARM
Find authenticated court documents without watermarks at docketalarm.com.

DOCKET ALARM

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts

Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research

With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips

Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS
Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS
Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS
Sync your system to PACER to automate legal marketing.