

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HEWLETT PACKARD ENTERPRISE COMPANY,
ARUBA NETWORKS, LLC, NETGEAR, INC., and
RUCKUS WIRELESS, INC.,
Petitioner,

v.

Q3 NETWORKING LLC,
Patent Owner.

IPR2021-00754
Patent 8,797,853 B2

Before BARBARA A. PARVIS, JO-ANNE M. KOKOSKI, and
RUSSELL E. CASS, *Administrative Patent Judges*.

PARVIS, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

Hewlett Packard Enterprise Company, Aruba Networks, LLC,
NETGEAR, Inc., and Ruckus Wireless, Inc. (collectively “Petitioner”) filed

a Petition (Paper 4 (“Pet.”)) requesting an *inter partes* review of claims 1–10, 12, and 13 (“challenged claims”) of U.S. Patent No. 8,797,853 B2 (Ex. 1001, “the ’853 Patent”), along with the supporting Declaration of Anthony Acampora, Ph.D. (Ex. 1003). Q3 Networking LLC (“Patent Owner”) filed a Preliminary Response. Paper 8 (“Prelim. Resp.”).

After considering the arguments and evidence of record, we exercise our discretion under 35 U.S.C. § 314(a) to deny institution for the reasons stated below.

II. BACKGROUND

A. *Real Parties-in-Interest*

Petitioner identifies as the real parties-in-interest the following: Hewlett Packard Enterprise Company, Aruba Networks, LLC, NETGEAR, Inc., Ruckus Wireless, Inc., CommScope Holding Company, Inc., CommScope, Inc., Arris US Holdings, Inc., ARRIS International plc, ARRIS Enterprises LLC, and ARRIS Solutions, Inc. Pet. 1. Patent Owner names itself as the real party-in-interest. Paper 6, 2.

B. *Related Matters*

Each party identifies judicial matters that would affect, or be affected by, a decision in this proceeding. In particular, the parties inform us that the ’853 Patent is asserted in the following district court proceedings: *Q3 Networking LLC v. CommScope Holding Company, Inc.*, Case No.1:20-cv-01263 (D. Del.); *Q3 Networking LLC v. Netgear, Inc.*, Case No. 1:20-cv-01264 (D. Del.); and *Q3 Networking LLC v. Hewlett Packard Enterprise Co.*, Case No. 1:20-cv-01265 (D. Del.) (“parallel district court proceedings”), which were filed September 21, 2020, and are stayed. Pet. 1, 69; Paper 6, 2. The parties additionally identify the following proceeding as

a related matter: Certain Routers, Access Points, Controllers, Network Management Devices, Other Networking Products, and Hardware and Software Components Thereof, Inv. No. 337-TA-1227 (ITC), filed September 22, 2020 (“the parallel ITC proceeding”). Pet. 1; Paper 6, 3.

C. The '853 Patent

The '853 Patent relates to a system and method for checking the permissibility of a use of a service. Ex. 1001, 1:14–15. A block diagram of a communications network is shown in Figure 1, reproduced below.

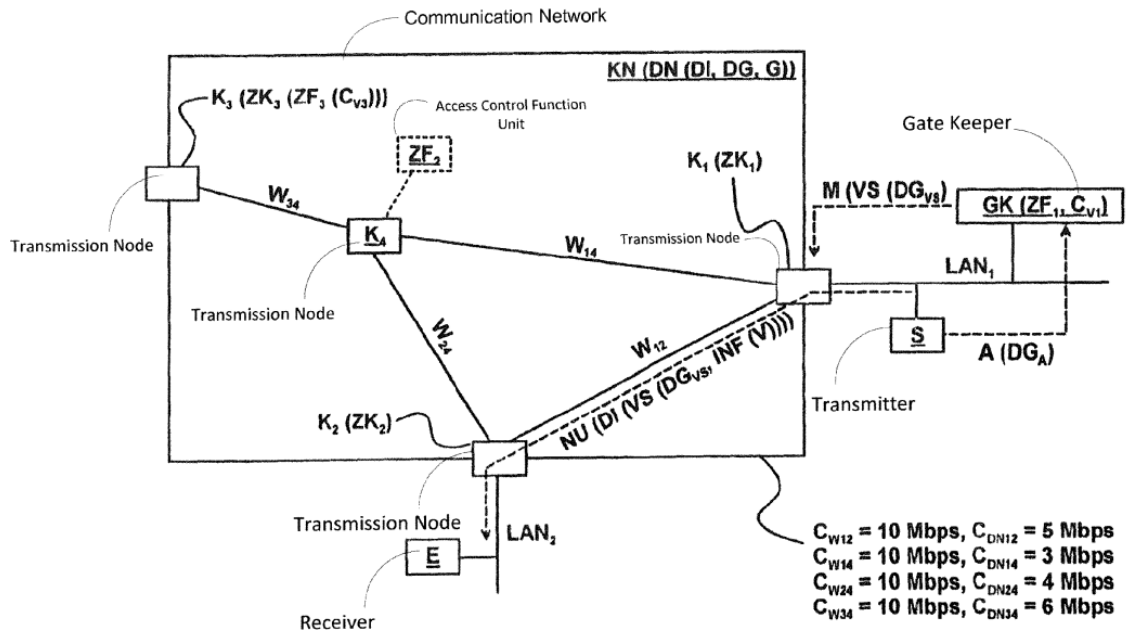


Figure 1, above, shows a block circuit diagram of a communications network KN with an overall transmission capacity G. *Id.* at 5:15–17.

Communications network KN shown in Figure 1, above, includes first node K₁, second node K₂, third node K₃, and fourth node K₄. *Id.* at 5:26–28, Fig. 1. The nodes are connected to one another by four transmission paths W₁₂, W₁₄, W₂₄, and W₃₄. *Id.* at 5:30–31. A first local area network (LAN) is connected to access node K₁ with transmitter S and gatekeeper GK. *Id.* at

5:46–47. A second LAN is connected to access node K_2 with receiver E. *Id.* at 5:47–49.

The '853 patent describes that after an application has been received, an access control function checks the permissibility of the applied-for use. *Id.* at 7:25–27. The check of the permissibility of the applied-for use takes into account the available capacity. *Id.* at 7:32–33. The '853 patent describes that with a definition of available capacities of paths and nodes, which takes into account the overall capacity of the network, permissibility checking in the internal transmission nodes of the communication network is not needed. *Id.* at 6:64–7:8.

D. Illustrative Claim

Petitioner challenges claims 1–10, 12, and 13 of the '853 Patent. Pet. 3. Claims 1 and 10 are the independent claims. Claims 2–9 depend, directly or indirectly, from claim 1. Claims 12 and 13 depend directly from claim 10. Independent claim 1, reproduced below, is illustrative of the claimed subject matter.

1. A method for checking permissibility to use a service, the service being implemented in at least one communications network, the communication network having an overall transmission capacity, the use of the service comprising transmission of at least one service-specific traffic stream which is assigned to the service by an access node which is assigned to the service to the communication network, comprising:
 - analyzing the use of the service with an access control function which is assigned to the access node; and
 - checking, via the access control function, without further interrogations at internal transmission nodes of the communications network, whether the use of the service is permitted, the checking performed taking into account an available capacity, which is

determined taking into account the overall transmission capacity,
and
available to the access node for transmitting traffic streams to the
communications network.

Ex. 1001, 8:1–18.

E. Evidence

Petitioner relies on the patent document references summarized in
Table 1 below.

Name	Patent Document	Exhibit
Bertin	US 6,400,681 B1	1004
Li	US 6,738,819 B1	1006

Petitioner relies on the non-patent literature references summarized in
Table 2 below.

Name	Non-Patent Literature Title	Author	Exhibit
Metz	<i>IP QOS: Traveling in First Class on the Internet</i> , IEEE Internet Computing (March–April 1999)	Chris Metz	1005

Finally, Petitioner relies on the Declaration of Dr. Acampora
(Ex. 1003) as supporting that the challenged claims are unpatentable.

F. Asserted Grounds

Petitioner asserts that the challenged claims of the '853 Patent are
unpatentable based on the following grounds summarized in Table 3 below:

Claims Challenged	35 U.S.C. §¹	References/Basis
1–10, 12, 13	103(a)	Bertin and Metz

¹ Because the challenged claims of the '853 Patent have an apparent effective filing date before March 16, 2013, the 35 U.S.C. §§ 102 and 103 provisions of the Leahy-Smith America Invents Act (“AIA”), Pub. L.

Claims Challenged	35 U.S.C. § ¹	References/Basis
1–9	103(a)	Li

III. DISCRETIONARY DENIAL OF THE PETITION

A. Overview

1. Background

Patent Owner contends we should exercise our discretion under 35 U.S.C. § 314(a) to deny *inter partes* review because the '853 Patent is asserted in the parallel ITC proceeding, which is at an advanced stage and involves the same parties. *See, e.g.*, Prelim. Resp. 1–3 (citing, *e.g.*, *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”). Patent Owner asserts that trial in the parallel ITC proceeding was scheduled to begin on July 28, 2021 and “the final Commission determination is targeted for completion by April 7, 2022.” *Id.* at 1.

Petitioner acknowledges that the hearing in the parallel ITC investigation “will likely have occurred when the Board decides whether to institute this IPR,” but argues that the *Fintiv* factors weigh “strongly in favor of institution, even considering the ITC Investigation.” Pet. 69, 73. Petitioner argues that *Fintiv* factors 1–3 weigh in favor of institution because the parallel district court proceedings have been stayed and the ITC trial date “does not change the calculus.” Pet. 69–72.

We begin with an overview of the legal standards and then we turn to the parties’ arguments regarding the *Fintiv* factors.

No. 112-29, §§ 3(b)–3(c), 3(n)(1), 125 Stat. 284, 285–87, 293 (2011) do not apply.

2. *Legal Standards*

Institution of *inter partes* review is discretionary. *See Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“[T]he PTO is permitted, but never compelled, to institute an IPR proceeding.”); 35 U.S.C. § 314(a) (2020). The Board’s precedential *NHK* decision explains that the Board may consider the advanced state of a related district court proceeding, among other considerations, as a “factor that weighs in favor of denying the Petition under § 314(a).” *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 20 (PTAB Sept. 12, 2018) (precedential) (“*NHK*”).

The Board’s precedential decision in *Fintiv* sets forth the following factors the Board balances when determining whether to exercise its discretion to deny institution:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board’s exercise of discretion, including the merits.

Fintiv, Paper 11 at 5–6. “[I]n evaluating the factors, the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.* at 6.

B. Analysis of Fintiv Factors

1. Fintiv Factor 1: Stay in the Parallel Proceeding

Although the parallel district court proceedings are stayed until the ITC proceeding becomes final, Petitioner acknowledges that the hearing in the parallel ITC investigation “will likely have occurred when the Board decides whether to institute this IPR.” Pet. 69. Petitioner argues that “*Fintiv*’s factor 1 considers ‘whether the *court* granted a stay’” and that the trial date in the parallel ITC proceeding should not change “the calculus.” *Id.* (citing *Fintiv*, Paper 11 at 6).

Fintiv expressly addresses ITC Investigations. *Fintiv*, Paper 11 at 8 (“[E]ven though the Office and the district court would not be bound by the ITC’s decision, an earlier ITC trial date may favor exercising authority to deny institution under *NHK* if the ITC is going to decide the same or substantially similar issues to those presented in the petition.”). Also, the Consolidated Trial Practice Guide states that in exercising the Director’s discretion under 35 U.S.C. § 314(a), the Board may consider “events in other proceedings related to the same patent, either at the Office, in district courts, or the ITC.” Consolidated Trial Practice Guide November 2019 (“TPG”)² at 58 (footnote omitted). Furthermore, the Board has considered ITC investigations in weighing whether or not to exercise its discretion under 35 U.S.C. § 314. *Garmin Int’l, Inc. v. Koninklijke Philips N.V.*, IPR2020-00754, Paper 11 at 9–11 (PTAB Oct. 27, 2020) (considering ITC proceeding in weighing if exercising discretion is warranted, and finding *Fintiv* factors applicable); *Comcast Cable Commc’ns, LLC v. Rovi Guides, Inc.*, IPR2020-00800, Paper 10 at 10–14 (PTAB Oct. 22, 2020) (considering

² Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

ITC proceeding in weighing if exercising discretion is warranted, and finding *Fintiv* factors applicable).

Petitioner acknowledges that the parallel district court proceedings were stayed because of the ITC investigation and that the hearing in the ITC investigation likely will proceed prior to our determination of whether to institute. Pet. 69. Under the circumstances present here, we consider factor 1 with respect to the parallel ITC proceeding. Petitioner does not contend that it has requested or intends to request a stay of the ITC investigation or that a stay is likely if requested. We, therefore, weigh this factor in favor of exercising our discretion to deny institution.

2. *Fintiv Factor 2: Trial Date in the Parallel Proceeding*

Based on the assertions of both parties, the hearing in the parallel ITC proceeding has occurred. Pet. 69; Prelim. Resp. 1.³ Patent Owner asserts that the target date for the Final Determination in the parallel ITC proceeding is April 7, 2022. Prelim. Resp. 1, 6.⁴ Petitioner acknowledges that “the ITC Investigation will conclude shortly” and the instant proceeding will proceed “during the pendency of the ITC appeal.” Pet. 71.

Under factor 2, we consider the “proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision.” *Fintiv*, Paper 11 at 5–6. The projected statutory deadline for a final written decision in this proceeding is October 19, 2022. If a court’s trial date is earlier than the projected statutory deadline of a final written decision, “the Board

³ Patent Owner uses the term “trial,” rather than “hearing.” *See, e.g.*, Prelim. Resp. 1.

⁴ Patent Owner identifies as supporting evidence an Amended Procedural Schedule in the parallel ITC proceeding, i.e., “Order No. 19.” *Id.* at 6. Patent Owner does not submit that document as evidence in this record.

generally has weighed this fact in favor of exercising authority to deny institution under *NHK*.” *Id.* at 9. The Final Determination in the parallel ITC proceeding is scheduled ahead of the projected statutory deadline for a final written decision in this proceeding. Indeed, the Final Determination is six months before a final written decision would be due if we did institute an *inter partes* review.

Thus, this *Fintiv* factor favors the exercise of discretion to deny institution of *inter partes* review.

3. *Fintiv Factor 3: Investment by the Court and the Parties in the Parallel Proceeding*

Petitioner argues that “no significant investment has been made in the district court proceedings.” Pet. 72. Petitioner does not submit contentions regarding diligence. *See generally id.*

Patent Owner asserts that the “ITC has presided over nearly nine months of intensive fact and expert discovery,” “the parties have submitted around 1,200 pages of trial witness statements and 600 pages of pre-trial briefing and relevant attachments,” and “[b]y the time of the institution decision, the ITC will have ruled on the parties’ pre-trial evidentiary motions and objections [and] conducted a four-day trial.” Prelim. Resp. 8.⁵ Patent Owner argues that “the ITC’s and the parties’ investment weighs heavily in favor of denying institution.” *Id.*

We recognize that *Fintiv* provides that a petitioner’s diligence in filing a petition may be relevant under the third *Fintiv* factor. *Fintiv*, Paper 11 at 11–12. Petitioner, however, has not argued that it was diligent in filing its

⁵ Patent Owner again identifies as supporting evidence the Amended Procedural Schedule in the parallel ITC proceeding, which has not been submitted as evidence in the record in the instant proceeding. *Id.* at 8.

Petition. Also, Petitioner does not dispute Patent Owner's contention that the parties have invested time and effort preparing for and conducting the hearing in the parallel ITC proceeding. Accordingly, this factor favors the exercise of discretion to deny institution of *inter partes* review.

4. *Fintiv Factor 4: Overlap Between Issues Raised in the Petition and Parallel Proceeding*

Petitioner asserts that claims 10, 12, and 13 are addressed in the Petition, but are not at issue and will not be resolved in the parallel ITC proceeding. Pet. 71–72. Petitioner, however, states that claims 1–9 are at issue in the parallel ITC proceeding and the same claims 1–9 are challenged in the Petition. *Id.* at 3, 4, 71. The Petition's analysis of claims 10, 12, and 13 relies on many of the arguments and evidence presented in its analysis of claim 1. *Id.* at 47–51 (repeatedly referring back to analysis of claim 1 limitations). Petitioner does not argue that the art presented here differs from art relied upon in the parallel ITC proceeding, or that claims 10, 12, and 13 raise issues that differ from those that will be addressed in the parallel ITC proceeding. Based on the record before us, we find overlap in the claimed subject matter challenged in the Petition and the parallel proceeding.

Petitioner also asserts that factor 4 weighs in favor of institution because the parallel ITC proceeding employs a different standard when addressing invalidity. *Id.* at 72. Petitioner's argument pertains to the standard employed, not the similarity of issues presented. We addressed Petitioner's assertion in our discussion with respect to factor 1. *See supra* § II.B.1.

Under these circumstances, we view this factor as weighing slightly in favor of denial.

5. *Fintiv Factor 5: Whether Petitioner is the Defendant in the Parallel Proceeding*

Petitioner asserts that because the parties are the same, this factor weighs against institution. Pet. 72. Under these circumstances, we view this factor as weighing against institution.

6. *Fintiv Factor 6: Other Considerations*

Under the sixth *Fintiv* factor, which takes into account any other relevant circumstances, Petitioner argues that the merits favor institution. Pet. 73. Petitioner also asserts “if the district court case proceeds, denying institution will unfairly deprive Petitioner of the opportunity to have this Board with its unique expertise determine the invalidity issues due to the one year statutory bar of § 315(b).” Pet. 73.

We determine that the merits of the Petition are not so strong as to outweigh the other *Fintiv* factors we consider here. Under these circumstances, we view this factor as neutral.

C. *Conclusion*

Based on the particular circumstances of this case, we determine that instituting an *inter partes* review is not appropriate under the standard set forth in *Fintiv*. As discussed above, the Final Determination in the parallel ITC proceeding is due six months before a final written decision would be due if we did institute an *inter partes* review, and the issues presented in this proceeding substantially overlap those issues in the parallel ITC proceeding.

On balance, after a holistic consideration of the relevant facts and the particular circumstances of this case, we conclude that efficiency and integrity of the system are best served by denying institution. Thus, we exercise our discretion under § 314(a) to deny institution.

IV. ORDER

In consideration of the foregoing, it is hereby:

ORDERED that the Petition is denied, and no trial is instituted.

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