EXHIBITS

TABLE OF EXHIBITS

- Ex. A: Order Granting Director Review, *Tessell, Inc. v. Nutanix, Inc.*, IPR2025-00298, Paper 17 (Aug. 22, 2025)
- Ex. B: Institution Decision, *Tessell, Inc. v. Nutanix, Inc.*, IPR2025-00322, Paper 14 (June 12, 2025)
- Ex. C: Institution Decision, *Tessell, Inc. v. Nutanix, Inc.*, IPR2025-00732, -00733, Paper 9 (Aug. 14, 2025)
- Ex. D: Institution Decision, *Tessell, Inc. v. Nutanix, Inc.*, IPR2025-00298, Paper 11 (June 2, 2025)
- Ex. E: March 26, 2025 Memorandum on Interim Processes for PTAB Workload Management
- Ex. F: October 17, 2025 Memorandum on Director Institution of AIA Trial Proceedings
- Ex. G: Patent Owner's Preliminary Response, *Tessell, Inc. v. Nutanix, Inc.*, IPR2025-00298, Paper 6 (Mar. 19, 2025)
- Ex. H: Patent Owner's Request for Director Review, *Tessell, Inc. v. Nutanix, Inc.*, IPR2025-00298, Paper 13 (June 16, 2025)
- Ex. I: Patent Owner's Request for Discretionary Denial, *Tessell, Inc. v. Nutanix, Inc.*, IPR2025-00322, Paper 12 (Apr. 18, 2025)
- Ex. J: Patent Owner's Request for Discretionary Denial, *Tessell, Inc. v. Nutanix, Inc.*, IPR2025-00732, Paper 6 (June 16, 2025)
- Ex. K: Patent Owner's Request for Discretionary Denial, *Tessell, Inc. v. Nutanix, Inc.*, IPR2025-00733, Paper 6 (June 16, 2025)
- Ex. L: Petitioner's Request for Rehearing, *Tessell, Inc. v. Nutanix, Inc.*, IPR2025-00298, Paper 18 (Sep. 22, 2025)
- Ex. M: Petitioner's Request for Director Review, *Tessell, Inc. v. Nutanix, Inc.*, IPR2025-00322, Paper 15 (Jul. 14, 2025)

- Ex. N: Petitioner's Request for Director Review, *Tessell, Inc. v. Nutanix, Inc.*, IPR2025-00732, Paper 10 (Sep. 15, 2025)
- Ex. O: Petitioner's Request for Director Review, *Tessell, Inc. v. Nutanix, Inc.*, IPR2025-00733, Paper 10 (Sep. 15, 2025)
- Ex. P: Order Denying Request for Rehearing, *Tessell, Inc. v. Nutanix, Inc.*, IPR2025-00298, Paper 20 (Nov. 5, 2025)
- Ex. Q: Order, *Tessell, Inc. v. Nutanix, Inc.*, IPR2025-00322, Paper 18 (Aug. 25, 2025)
- Ex. R: Order, *Tessell, Inc. v. Nutanix, Inc.*, IPR2025-00732, -00733, Paper 12 (Nov. 5, 2025)
- Ex. S: Patent Trial and Appeal Board, Standard Operating Procedure 2 (Revision 11), published July 24, 2023
- Ex. T: Institution Decision, *Gator Bio, Inc. v. Satorius Bioanalytical Instruments, Inc.*, IPR2025-00633, Paper 9 (July 24, 2025)
- Ex. U: Collection of decisions exemplifying Director's recent exercise of discretionary denial

EXHIBIT - A

Director_PTABDecision_Review@uspto.gov
571-272-7822

Paper 17
Date: August 22, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

TESSELL, INC.,
Petitioner,

v.

NUTANIX, INC.,
Patent Owner.

IPR2025-00298
Patent 11,860,818 B2

Before COKE MORGAN STEWART, *Acting Under Secretary of Commerce for Intellectual Property and Acting Director of the United States Patent and Trademark Office*.

ORDER
Granting Director Review, Vacating the Decision Granting Institution, and Denying Institution of *Inter Partes* Review

Nutanix, Inc. ("Nutanix" or "Patent Owner") filed a request for Director Review of the Decision granting institution ("Decision," Paper 11) in the above-captioned case, and Tessell, Inc. ("Tessell" or "Petitioner") filed an authorized response. *See* Paper 13 ("DR Request"); Paper 14. Patent Owner argues that the Decision should be reversed for the reasons provided in the decision exercising discretion to deny institution in related proceeding IPR2025-00322 because the facts and circumstances in this case are the same. DR Request 1.

Petitioner responds that IPR2025-00322 involved a different challenged patent—the parent to the patent challenged in this case—and that the claims of the patent challenged in this case are broader than the claims challenged in IPR2025-00322. Paper 14, 1, 4. Petitioner also argues that settled expectations support the Board's institution decision because Petitioner filed its petition the same year that the challenged patent issued. *Id.* at 5.

Patent Owner's argument is persuasive. Assignor estoppel does not apply in *inter partes* reviews ("IPR") under 35 U.S.C. § 311(a). *See Arista Networks, Inc. v. Cisco Sys., Inc.*, 908 F.3d 792, 804 (Fed. Cir. 2018)). The Director, however, has broad authority to determine whether to institute an IPR. *See* 35 U.S.C. § 314(a); *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 273 (2016) (holding that the Director's "decision to deny a petition is a matter committed to the Patent Office's discretion"). "For example, the Director is free . . . to determine that for reasons of administrative efficiency an IPR will not be instituted." *Mylan Labs. Ltd. v. Janssen Pharmaceutica, N.V.*, 989 F.3d 1375, 1382 (Fed. Cir. 2021).

Here, Balasubrahmanyam Kuchibhotla, Kamaldeep Khanuja, Sujit Menon, and Maneesh Rawat were Nutanix employees when they invented and assigned their rights to the subject matter of what eventually became the challenged patent. DR Request 2; Ex. 2002, 18–20. Subsequently, inventors Kuchibhotla and Khanuja left Nutanix and founded Tessell. DR Request 3; Paper 14, 1, 3. Tessell later hired inventors Menon and Rawat. DR Request 3. Tessell, which includes nearly all the inventors of the challenged patent, *id.* at 3, now argues that the claims of that patent are unpatentable. It is not an efficient use of Office resources to institute an IPR on a patent where the inventors of that patent now advocate for its unpatentability.

Further, although Petitioner argues that the challenged patent's claims are broader than the claims of the parent patent and eliminate "a core aspect of the alleged invention – a hyperconverged structure," Paper 14, 4, Petitioner does not provide a sufficient analysis demonstrating that the scope of the challenged claims is broader than the originally-filed specification. *See generally id.* Indeed, Petitioner acknowledges that the challenged patent's dependent claims recite a hyperconverged structure. Paper 14, 3–4.

In consideration of the foregoing, it is:

ORDERED that Director Review is granted;

FURTHER ORDERED that the Decision granting institution of *inter partes* review (Paper 11) is vacated; and

FURTHER ORDERED that the petition is denied, and no trial is instituted.

IPR2025-00298
Patent 11,860,818 B2

FOR PETITIONER:

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EXHIBIT - B

Director_Discretionary_Decision@uspto.gov
571-272-7822

Paper 14
Date: June 12, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

TESSELL, INC.,
Petitioner,

v.

NUTANIX, INC.,
Patent Owner.

IPR2025-00322
Patent 11,010,336 B2

Before COKE MORGAN STEWART, *Acting Under Secretary of Commerce for Intellectual Property and Acting Director of the United States Patent and Trademark Office*.

DECISION
Granting Patent Owner's Request for Discretionary Denial and Denying Institution of *Inter Partes* Review

Nutanix, Inc. ("Nutanix" or "Patent Owner") filed a request for discretionary denial (Paper 12, "DD Req.") in the above-captioned case, and Tessell, Inc. ("Tessell" or "Petitioner") filed an opposition (Paper 13, "DD Opp.").

After considering the parties' arguments and the record, and in view of all relevant considerations, discretionary denial of institution is appropriate in this proceeding. This determination is based on the totality of the evidence and arguments the parties have presented.

In this proceeding, Balasubrahmanyam Kuchibhotla, Kamaldeep Khanuja, Sujit Menon, and Maneesh Rawat were Nutanix employees when they invented what eventually became U.S. Patent No. 11,010,336 B2 ("the '336 patent"), the subject of this proceeding. DD Req. 3; DD Opp. 3. Subsequently, inventors Kuchibhotla and Khanuja left Nutanix to found Tessell. DD Req. 5; DD Opp. 3. Tessell later hired inventors Menon and Rawat. DD Req. 5. Tessell, which includes nearly all of the inventors of the '336 patent, now argues that the claims of the '336 patent are unpatentable. *Id.* at 3.

Patent Owner's equity arguments are persuasive. Although assignor estoppel does not apply in *inter partes* reviews under 35 U.S.C. § 311(a) (*see Arista Networks, Inc. v. Cisco Sys., Inc.*, 908 F.3d 792, 804 (Fed. Cir. 2018)), the Office may consider unfair dealings as a factor when determining whether to exercise discretion to deny institution under 35 U.S.C. § 314(a). It is not an appropriate use of Office resources where the inventors applied for and were issued a patent, but, as is the case here, now advocate for its unpatentability. Accordingly, although a stay in the parallel district court proceeding (DD Opp. 2) weighs against discretionary denial,

Patent Owner's persuasive arguments of unfair dealings tip the balance to exercising discretion to deny institution.

Although certain arguments are highlighted above, the determination to exercise discretion to deny institution is based on a holistic assessment of all of the evidence and arguments presented. Accordingly, the Petition is denied under 35 U.S.C. § 314(a).

In consideration of the foregoing, it is:

ORDERED that Patent Owner's request for discretionary denial is *granted*; and

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

IPR2025-00322
Patent 11,010,336 B2

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EXHIBIT - C

Director_Discretionary_Decision@uspto.gov
571-272-7822

Paper 9
Date: August 14, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

TESSELL, INC.,
Petitioner,

v.

NUTANIX, INC.,
Patent Owner.

IPR2025-00732 (Patent 10,817,157 B2)
IPR2025-00733 (Patent 11,640,340 B2)

Before COKE MORGAN STEWART, *Acting Under Secretary of Commerce for Intellectual Property and Acting Director of the United States Patent and Trademark Office*.

DECISION
Denying Institution of *Inter Partes* Review

Nutanix, Inc. ("Patent Owner") filed a request for discretionary denial (Paper 6, "DD Req.") in the above-captioned cases, and Tessell, Inc. ("Petitioner") filed an opposition (Paper 8, "DD Opp.").[1]

After considering the parties' arguments and the record, and in view of all relevant considerations, discretionary denial of institution is appropriate in these proceedings. This determination is based on the totality of the evidence and arguments the parties have presented.

These cases present essentially the same discretionary considerations as those presented in IPR2025-00322. *See Tessell, Inc. v. Nutanix, Inc.*, IPR2025-00322, Paper 14 (Director June 12, 2025). Accordingly, that analysis is incorporated here. *Id.* at 2–3. Petitioner newly argues that "[d]iscretionary denial is not justified, because it would be unfair to permit Patent Owner to assert a scope broader than what the inventors certified, while preventing the inventors from advancing a timely challenge to that broadened scope." DD Opp. 3–4. Petitioner, however, does not provide sufficient analysis demonstrating that the scope of the challenged claims is broader than the originally filed specification. Accordingly, Petitioner's argument is not persuasive.

Although certain arguments are highlighted above, the determination to exercise discretion to deny institution is based on a holistic assessment of all of the evidence and arguments presented. Accordingly, the Petitions are denied under 35 U.S.C. § 314(a).

In consideration of the foregoing, it is:

[1] Citations are to papers in IPR2025-00732. The parties filed similar papers in IPR2025-00733.

ORDERED that Patent Owner's request for discretionary denial is *granted*;

FURTHER ORDERED that the Petitions are *denied*, and no trial is instituted.

IPR2025-00732 (Patent 10,817,157 B2)
IPR2025-00733 (Patent 11,640,340 B2)

FOR PETITIONER:

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EXHIBIT - D

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Paper_11_
Entered: June 2, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TESSELL, INC.,
Petitioner,

v.

NUTANIX, INC.,
Patent Owner.

IPR2025-00298
Patent 11,860,818 B2

Before JAMESON LEE, JUSTIN T. ARBES, and LISA A. MURRAY, *Administrative Patent Judges*.

LEE, *Administrative Patent Judge*.

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

I. INTRODUCTION

Tessell, Inc. ("Petitioner" or "Tessell") filed a Petition for *inter partes* review of claims 1–36 (the "challenged claims") of Patent No. 11,860,818 B2 ("the '818 Patent"). Paper 2 ("Pet."). Nutanix, Inc. ("Patent Owner" or "Nutanix") filed a Preliminary Response. Paper 6 ("Prelim. Resp."). With our permission, Petitioner filed a Preliminary Reply. Paper 9. Patent Owner filed a Preliminary Sur-reply. Paper 10.

We have authority to determine whether to institute an *inter partes* review. *See* 35 U.S.C. § 314 (2018); 37 C.F.R. § 42.4(a). An *inter partes* review may not be instituted unless the information presented in the Petition "shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition." 35 U.S.C. § 314(a). The "reasonable likelihood" standard is "a higher standard than mere notice pleading" but "lower than the 'preponderance' standard to prevail in a final written decision." *Hulu, LLC v. Sound View Innovations, LLC*, IPR2018-01039, Paper 29 at 13 (PTAB Dec. 20, 2019) (precedential).

II. BACKGROUND

A. Real Parties in Interest

Petitioner identifies itself as real party in interest. Pet. x. Patent Owner identifies itself as real party in interest. Paper 4, 1.

B. Related Matters

The parties identify the following litigation as a related matter:

Nutanix, Inc. v. Tessell, Inc., Case No. 3:24-cv-01729 (N.D. Cal.).

Pet. x; Paper 4, 1. Patent Owner also states that there is pending arbitration between Patent Owner and three current employees of Petitioner, identified as "JAMS Ref. No. 5110000487." Paper 4, 1.

C. The '818 Patent

The '818 patent issued from Application No. 18/113,528, filed Feb. 23, 2023, which is a continuation of Application No. 17/237,599, filed on April 22, 2021, now Patent No. 11,604,762, which is a continuation of Application No. 16/234,553, filed on December 27, 2018, now Patent No. 11,010,336. Ex. 1001, codes (21), (22), (63).

The '818 patent is directed to provisioning a database based on receiving of various inputs such as a database engine type, a Service Level Agreement ("SLA"), and a protection schedule. Ex. 1001, 1:33–49. Regarding "provisioning," the '818 patent states: "Database provisioning services involve creating and/or associating databases with the database system for management and use." *Id.* at 3:41–43. Regarding an SLA, the '818 patent describes:

> An SLA is an agreement between a service provider (e.g., the owner of the database system 200) and the user (e.g., the owner of the database) that outlines, among other things, the protection scope of the database. The protection scope defines for how long data from the database being created or registered is retained. Thus, the protection scope defines the database retention policy. In some embodiments, the SLA may define various protection parameters such as continuous, daily, weekly, monthly, quarterly, or yearly protection parameters for determining the protection scope of the database being created/registered. In other embodiments, the SLA may define other or additional protection parameters.
>
> Each database for which an instance of the database protection system 225 is created may be protected by capturing snapshots and/or transactional logs. The number of snapshots

> and transactional logs to be captured on each day may be defined by the user in the protection schedule.

Id. at 19:19–35. The frequency with which snapshots and transaction logs are captured may depend on the level of protection desired by the user. *Id.* at 5:60–62. The system may include built-in defaults of the protection schedule and SLA levels from which a user may select. *Id.* at 5:65–67.

Claims 1, 8, and 15 are independent and are reproduced below:[1]

> [1PRE]. A non-transitory computer-readable media comprising computer-readable instructions stored thereon for provisioning a database, wherein the computer-readable instructions when executed by a processor cause the processor to:
>
> [1A] receive a first input of a database name for the database;
>
> [1B] receive a second input of a database engine for the database;
>
> [1C] receive a third input indicative of a location where the database is to be provisioned;
>
> [1D] receive a fourth input comprising a selection of a level of a Service Level Agreement (SLA) from a plurality of levels of the SLA to protect the database after provisioning;
>
> [1E] receive a fifth input of a protection schedule comprising a first frequency of capturing a snapshot of the database after provisioning and at least one time period for capturing the snapshot;

[1] The bracketed headings correspond to those used by Petitioner to reference the claim elements. *See* Pet. 13–37. We use the same headings here for ease of reference, understanding, and consistency.

[1F] present at least one user interface to receive the first input, the second input, the third input, the fourth input, and the fifth input;

[1G] determine an amount of storage for the database; and

[1H] create the database at the location based on the first input, the second input, the third input, the fourth input, the fifth input, and the amount of storage.

Ex. 1001, 40:6–30.

[8PRE]. A system comprising: a memory having computer-readable instructions stored thereon to provision a database; and a processor that executes the computer-readable instructions to:

[8A] receive a first input of a database name for the database;

[8B] receive a second input of a database engine for the database;

[8C] receive a third input indicative of a location where the database is to be provisioned;

[8D] receive a fourth input comprising a selection of a level of a Service Level Agreement (SLA) from a plurality of levels of the SLA to protect the database after provisioning;

[8E] receive a fifth input of a protection schedule comprising a first frequency of capturing a snapshot of the database after provisioning and at least one time period for capturing the snapshot;

[8F] present at least one user interface to receive the first input, the second input, the third input, the fourth input, and the fifth input;

[8G] determine an amount of storage for the database; and

[8H] create the database at the location based on the first input, the second input, the third input, the fourth input, the fifth input, and the amount of storage.

Id. at 40:58–41:16.

[15PRE]. A method comprising:

[15A] receiving, by a processor executing computer-readable instructions to provision a database, a first input of a database name for the database;

[15B] receiving, by the processor, a second input of a database engine for the database;

[15C] receiving, by the processor, a third input indicative of a location where the database is to be provisioned;

[15D] receiving, by the processor, a fourth input comprising a selection of a level of a Service Level Agreement (SLA) from a plurality of levels of the SLA to protect the database after provisioning;

[15E] receiving, by the processor, a fifth input of a protection schedule comprising a first frequency of capturing a snapshot of the database after provisioning and at least one time period for capturing the snapshot;

[15F] presenting, by the processor, at least one user interface to receive the first input, the second input, the third input, the fourth input, and the fifth input;

[15G] determining, by the processor, an amount of storage for the database; and

[15H] creating, by the processor, the database at the location based on the first input, the second input, the third input, the fourth input, the fifth input, and the amount of storage.

Id. at 41:38–62.

D. The Applied Prior Art and Declarations/Affidavits

Petitioner relies on the following references:

Name	Patent Document/Publication	Exhibit
Sivasubramanian[2]	US Pat. No. 8,713,060 B2	1005
Zha[3]	US Pat. No. 8,150,808 B2	1006
Shekar[4]	US Pat. Pub. 2018/0232142 A1	1007

Petitioner relies on the Declaration of Samrat Bhattacharjee, Ph.D. Ex. 1003. Petitioner also relies on an Affidavit of Nathaniel E. Frank-White, Records Request Processor at the Internet Archive. Ex. 1058.

E. The Asserted Grounds of Unpatentability

Petitioner asserts that the challenged claims of the '818 patent are unpatentable based on the following grounds (Pet. 6):

Claims Challenged	35 U.S.C. §	References/Basis
1–36	103[5]	Sivasubramanian, Zha
1–36	103	Sivasubramanian, Shekar, Zha

[2] Issued April 29, 2014. Ex. 1005, code (45).
[3] Issued April 3, 2012. Ex. 1006, code (45).
[4] Published August 16, 2018. Ex. 1007, code (43).
[5] The Leahy-Smith America Invents Act ("AIA"), Pub. L. No. 112–29, 125 Stat. 284, 287–88 (2011), amended 35 U.S.C. §§ 102 and 103. Because the '818 patent does not claim priority to an application filed before March 16, 2013 (the effective date of the amendments), the AIA version of § 103 applies.

III. ANALYSIS

A. Level of Ordinary Skill in the Art

Petitioner asserts that a person of ordinary skill in the art "would have had a bachelor's degree in computer science, computer engineering, or a related field, with two years of academic and/or industry experience with database technologies." Pet. 13 (citing Ex. 1003 ¶¶ 57–70). Patent Owner has not proposed a level of ordinary skill in the art and does not dispute Petitioner's stated level of ordinary skill in the art.

We adopt Petitioner's statement of the level of ordinary skill in the art. It is supported by the testimony of Dr. Bhattacharjee and not disputed by Patent Owner. Further, it appears consistent with what is reflected by the content of the applied prior art. *Cf. Okajima v. Bourdeau*, 261 F.3d 1350, 1354–55 (Fed. Cir. 2001) (the applied prior art may reflect an appropriate level of skill).

B. Claim Interpretation

We use the same claim construction standard that would be used to construe a claim in a civil action under 35 U.S.C. § 282(b), including construing the claim in accordance with the ordinary and customary meaning of such claim as understood by one of ordinary skill in the art and the prosecution history pertaining to the patent. 37 C.F.R. § 42.100(b). The claim construction standard set forth in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc) is applicable.

Claim terms are generally given their ordinary and customary meaning as would be understood by one with ordinary skill in the art in the context of the specification, the prosecution history, other claims, and extrinsic evidence including expert and inventor testimony, dictionaries, and

learned treatises, although extrinsic evidence is less significant than the intrinsic record. *Phillips*, 415 F.3d at 1312–17. Usually, the specification is dispositive, and it is the single best guide to the meaning of a disputed term. *Id.* at 1315.

If an inventor acts as his or her own lexicographer, the definition must be set forth in the specification with reasonable clarity, deliberateness, and precision. *Renishaw PLC v. Marposs Societa' per Azioni*, 158 F.3d 1243, 1249 (Fed. Cir. 1998). Only those claim terms that are in controversy need to be construed, and only to the extent necessary to resolve the controversy. *Realtime Data, LLC v. Iancu*, 912 F.3d 1368 (Fed. Cir. 2019) ("The Board is required to construe 'only those terms . . . that are in controversy, and only to the extent necessary to resolve the controversy.'" (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng'g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999))).

Petitioner has not proposed an express construction for any claim term. Neither has Patent Owner. For purposes of this Decision, we need not expressly construe any claim term.

C. Alleged Obviousness of Claims 1–36 over Sivasubramanian and Zha

1. Overview of Sivasubramanian (Exhibit 1005)

Sivasubramanian refers to a control environment as a control plane and a data environment as a data plane. Ex. 1005, 2:21–24. Sivasubramanian states that the functionalities of a control plane can be provided as a set of Web services, thus enabling the control plane to act as a virtual database administrator. *Id.* at 2:24–26. Specifically, Sivasubramanian describes:

> A user or customer can submit a request to the control plane through an externally-visible application programming interface

> (API), for example, which can be analyzed to determine actions to be performed in the data plane, such as actions that create, delete, modify, expand, or otherwise modify a data store or data storage instance. A monitoring component of the control plane also can be provided that can monitor the health or status of [the] components in the data plane, and can automatically determine actions to be taken in the data plane.

Id. at 2:26–35.

2. Overview of Zha (Exhibit 1006)

Zha discloses a method of creating a virtual database by reading different point-in-time copies of a source database. Ex. 1006, 1:66–67. Multiple database blocks are read from the source database and stored on a storage system. *Id.* at 2:6–7. "The database blocks retrieved from the source database and stored on the storage system correspond to different point-in-time copies of the source database." *Id.* at 2:19–22. Zha also describes that in an embodiment, multiple virtual databases can be created based on the database blocks associated with the same point-in-time copies of the source database. *Id.* at 2:33–35.

Zha's disclosed system allows a database administrator to set up or to change the configuration of the database storage system. Ex. 1006, 11:26–28. Zha describes:

> The system configuration manager 315 also allows a user with appropriate roles and privileges to setup policies specifying the schedule with which the point-in-time copy manager 310 retrieves PIT copies of databases in the production system 110 as well as the frequency and the times at which the transaction log manager 320 retrieves updates to online transaction logs from the production database systems 110. In an embodiment, a schedule can specify the frequency and times during the day for the PIT and log retrieval actions or it could be [a] periodic schedule specifying the calendar days when the same action should take place.

Id. at 11:33–43.

3. Independent Claim 1

Petitioner asserts that Sivasubramanian discloses each of recitation [1Pre], limitation [1A], limitation [1B], limitation [1C], and limitation [1G]. Pet. 39–46, 55–57. Patent Owner does not dispute the assertion. We have reviewed the evidence cited by Petitioner, and agree on this record that Sivasubramanian discloses each of recitation [1Pre], limitation [1A], limitation [1B], limitation [1C], and limitation [1G].

With respect to limitation [1E], Petitioner asserts that it would have been obvious for one of ordinary skill in the art to incorporate into Sivasubramanian Zha's feature of user input of the frequency for retrieving snapshots and user input of the "times during the day" for retrieving snapshots. Pet. 52–54. Patent Owner does not dispute the assertion. We have reviewed the evidence cited by Petitioner, and agree on this record that Sivasubramanian and Zha reasonably would have suggested limitation [1E].

With respect to limitation [1F], Petitioner notes that Sivasubramanian already discloses a user interface to receive the first, second, and third inputs, and asserts that if there are fourth and fifth inputs based on an analysis of limitation [1D], then one of ordinary skill would have used the same interface to receive the fourth and fifth inputs. Pet. 54–55. Patent Owner does not dispute the assertion. We have reviewed the evidence cited by Petitioner, and agree on this record that Sivasubramanian and Zha reasonably would have suggested limitation [1F].

With respect to limitation [1H], Petitioner asserts that a person of ordinary skill in the art (POSA) "would have understood that the purpose of accepting these inputs [first through fifth] is to use them to 'create' a

database based on these inputs and based on the amount of storage determined from the user input." Pet. 57 (emphasis omitted). Patent Owner does not dispute the assertion. We have reviewed the evidence cited by Petitioner, and agree on this record that Sivasubramanian and Zha reasonably would have suggested limitation [1H], provided that limitation [1D] regarding fourth and fifth inputs is met.

Hereinafter, we discuss limitation [1D]: "receive a fourth input comprising a selection of a level of a Service Level Agreement (SLA) from a plurality of levels of the SLA to protect the database after provisioning." As noted above, the '298 patent states:

> An SLA is an agreement between a service provider (e.g., the owner of the database system 200) and the user (e.g., the owner of the database) *that outlines, among other things, the protection scope of the database. The protection scope defines for how long data from the database being created or registered is retained.* Thus, the protection scope defines the database retention policy.

Ex. 1001, 19:19–25 (emphasis added).

Petitioner acknowledges that Sivasubramanian does not disclose a user input that indicates for how long database snapshots and logs should be retained. Pet. 31–32. Petitioner also acknowledges that "Zha does not mandate a specific interface for specifying policies with snapshot[s] or transaction log retention periods." *Id.* at 35.

However, Petitioner asserts: "POSAs understood that it was typical to collect snapshots and other database-backup information at user-configurable frequencies and times and store such information for *user-configurable retention periods*." Pet. 32 (emphasis added) (citing Ex. 1003 ¶ 127; Ex. 1014 ¶ 34, Fig. 2; Ex. 1016 ¶ 9; Ex. 1017 ¶ 46, Fig. 6).

Petitioner further asserts that a well-known user interface technique for specifying retention periods was to let the user choose a service level specifying the retention period, and that "such levels were often specified by choosing a predefined 'service level agreement' ('SLA')." *Id.* at 35 (citing Ex. 1003 ¶ 137; Ex. 1017 ¶ 46, Fig. 6; Ex. 1024 ¶ 120; Ex. 1025 ¶ 4; Ex. 1026, 11:39–43; Ex. 1027, 19:32–35). Petitioner still further asserts that "it was well-known in database-creation and provisioning UIs both to (1) accept inputs related to retention of snapshots or other backup data; and (2) accept an SLA-level selection." *Id.* at 36–37 (citing Ex. 1003 ¶¶ 144–146; Ex. 1028 ¶¶ 46, 56–58; Ex. 1029, 9:49–10:12, Fig. 4; Ex. 1013, 16–17; Ex. 1012, 7; Ex. 1032, 2–3).

Petitioner asserts that one of ordinary skill in the art would have "understood that allowing users of Sivasubramanian's control plane to specify snapshot and log frequencies, times, and retention periods would beneficially enable users to tune those parameters to suit their own needs." Pet. 32 (citing Ex. 1003 ¶ 128; Ex. 1023 ¶ 23; Ex. 1013, 5; Ex. 1015, 1:54–61.). Petitioner also asserts that allowing users to select from predefined sets of parameter values increased user convenience. *Id.* at 36. Petitioner additionally asserts that one of ordinary skill in the art would have understood that accepting an input of the SLA as part of an SLA creation process would beneficially allow the database to be protected as soon as it is created and provisioned, "since parameters for snapshot and log capturing and retention would already have been specified." *Id.*

Patent Owner argues:

> Recognizing that its obviousness combination lacks the SLA level claim element, Petitioner attempts to fill that gap using more than a dozen references that are not part of Petitioner's

> grounds without providing any motivation as to why a POSA would have combined any of these references with Sivasubramanian and/or Zha with a reasonable expectation of success. Under *Arendi S.A.R.L. v. Apple Inc.*, however, a POSA's background knowledge should be invoked to supply a limitation "admittedly missing from the prior art" only when "the [missing] limitation in question [is] unusually simple and the technology particularly straightforward." 832 F.3d 1355, 1361–62 (Fed. Cir. 2016). And *Arendi* cautioned that a POSA's background knowledge "cannot be used as a wholesale substitute for reasoned analysis and evidentiary support, especially when dealing with a limitation missing from the prior art references specified." *Id.* at 1362. Here, Petitioner's use of assertions about what is well known to address a key missing limitation, without adequate motivation to combine, fall short of this standard. Thus, Petitioner's obviousness arguments are deficient as a matter of law and its additional references should not be considered.

Prelim. Resp. 10–11; *see* Paper 10, 1–2.

Patent Owner' reliance on *Arendi S.A.R.L. v. Apple Inc.*, 832 F.3d 1355 (Fed. Cir. 2016) is misplaced. At issue in *Arendi* was the Board's application of "common sense." The Federal Circuit stated in *Arendi*: "The single question at issue here is whether the Board misused 'common sense' to conclude that it would have been obvious to supply a missing limitation in the Pandit prior art reference to arrive at the claimed invention." *Arendi*, 832 F.3d at 1361. Here, Petitioner has not at all relied on "common sense" in its assertion of obviousness. Rather, Petitioner relies on what is purportedly basic knowledge well known to one of ordinary skill in the art, and cites a multitude of references as well as declarant testimony to demonstrate that such knowledge was basic and well known to one of ordinary skill. *Arendi* expresses no prohibition against relying on

knowledge that is basic and well-known to one of ordinary skill in the art to account for an otherwise-missing claim limitation.

We also know of no binding authority that requires inclusion of all references relied on to show basic knowledge well known to one of ordinary skill in the formally stated ground of alleged unpatentability. Patent Owner has identified none. *See Fleming v. Cirrus Design Corp.*, 28 F.4th 1214, 1223 (Fed. Cir. 2022) (affirming the Board's obviousness conclusion where, although the two asserted references did not teach certain "autopilot operations," "it was well known that aircraft autopilots are programmable to perform certain actions," and stating that "it is appropriate to consider the knowledge . . . of a skilled artisan in an obviousness determination"); *Koninklijke Philips N.V. v. Google LLC*, 948 F.3d 1330, 1337 (Fed. Cir. 2020) (disagreeing with the patent owner's assertion that 35 U.S.C. § 311(b) "prohibits use of general knowledge to supply a missing claim limitation in an inter partes review" and stating that "[r]egardless of the tribunal, the inquiry into whether any 'differences' between the invention and the prior art would have rendered the invention obvious to a skilled artisan necessarily depends on such artisan's knowledge").

Additionally, Patent Owner argues: "Even if fully considered, none of Petitioner's many cited references teach selection of an SLA level from a plurality of SLA levels to protect a database after provisioning, and Petitioner never argues otherwise." Prelim. Resp. 12 (emphasis added). But, Patent Owner does not identify where claim 1 requires that the various inputs be *received* by the processor after the database has been provisioned, and we do not see such a requirement in the claims.

Limitation [1D] recites that the processor is cause to "receive a fourth input comprising a selection of a level of a Service Level Agreement (SLA) from a plurality of levels of the SLA to protect the database after provisioning," and limitation [1E] recites that the processor is caused to "receive a fifth input of a protection schedule comprising a first frequency of capturing a snapshot of the database after provisioning and at least one time period for capturing the snapshot." Limitation [1H] then provides that the processor is caused to "create the database at the location based on the first input, the second input, the third input, the fourth input, the fifth input, and the amount of storage." Ex. 1001, 40:28–30.

Because the inputs are used by the processor to create the database, the inputs must be received by the processor prior to creation of the database. Creation of a database is a way of provisioning a database, as explained in the specification of the '818 patent. Ex. 1001, 3:41–43 ("Database provisioning services involve creating and/or associating databases with the database system for management and use."). The SLA then protects the database "after" it is provisioned (per limitation [1D]) and a snapshot may be captured "after" the database is provisioned (per limitation [1E]).

For the foregoing reasons, Petitioner has shown a reasonable likelihood that it would prevail in establishing that claim 1 would have been obvious over Sivasubramanian and Zha.

4. Dependent Claims 2–7, 22, 23, 28–30

Claims 2–7, 22, 23, and 28–30 each depend, directly or indirectly, from claim 1. Ex. 1001, 40:31–57, 42:17–22, 42:35–53. Patent Owner does not present arguments for these claims separate from those it submits for

claim 1, which we have rejected above in the context of claim 1. We have reviewed Petitioner's submissions and determine that Petitioner has shown a reasonable likelihood that it would prevail in showing obviousness of claims 2–7, 22, 23, and 28–30 over Sivasubramanian and Zha.

5. Independent Claim 8

Whereas claim 1 is directed to a non-transitory computer-readable media storing computer-readable instructions, which instructions when executed by a processor causes the processor to perform functions [1A] through [1H], claim 8 is directed to a system comprising a memory storing thereon computer-readable instructions, which instructions are executed by a processor to perform functions [8A] through [8H]. Ex. 1001, 40:6–30, 40:58–41:16. Functions [1A] through [1H] are the same as those in [8A] through [8H], respectively. Petitioner cites Sivasubramanian as teaching the recited "system" comprising a "memory" storing thereon computer-readable instructions to provision a database. Pet. 73. Patent Owner presents no contrary argument in that regard. With regard to limitations [8A] through [8H], Petitioner relies on its presentation for limitations [1A] through [1H]. Patent Owner does not present arguments additional to those it has presented for claim 1, which we have already addressed and rejected above.

Thus, based on our reasoning discussed above for limitations [1A] through [1H] and based on Petitioner's specific accounting for a system comprising a memory storing thereon computer-readable instructions to provision a database, we determine that Petitioner has shown a reasonable likelihood that it would prevail in establishing obviousness of claim 8 over Sivasubramanian and Zha.

6. Dependent Claims 9–14, 24, 25, 31–33

Claims 9–14, 24, 25, and 31–33 each depend, directly or indirectly, from claim 8. Ex. 1001, 41:16–37, 42:23–28, 42:54–43:2. Patent Owner does not present arguments for these claims separate from those it submits for claim 8, which we have rejected above in the context of claim 8. We have reviewed Petitioner's submissions and determine that Petitioner has shown a reasonable likelihood that it would prevail in showing obviousness of claims 9–14, 24, 25, and 31–33 over Sivasubramanian and Zha.

7. Independent Claim 15

Whereas claim 1 is directed to a non-transitory computer-readable media storing computer-readable instructions, which instructions when executed by a processor cause the processor to perform functions [1A] through [1H], claim 15 is directed to a method ([15PRE]) where a processor executing computer-readable instructions carries out steps [15A] through [15H]. Ex. 1001, 40:6–30, 41:38–62. Steps [15A] through [15H] correspond to functions [1A] through [1H], respectively.

For preamble [15PRE] and steps [15A] through [15H], Petitioner relies on its assertions for recitation [1PRE] and limitations [1A] through [1H]. Pet. 74. Patent Owner does not present arguments additional to those it has presented for claim 1, which we have already addressed and rejected above.

Thus, based on our reasoning discussed above for recitation [1PRE] and limitations [1A] through [1H], we determine that Petitioner has shown a reasonable likelihood that it would prevail in establishing obviousness of claim 15 over Sivasubramanian and Zha.

8. Dependent Claims 16–21, 26, 27, and 34–36

Claims 16–21, 26, 27, and 34–36 each depend, directly or indirectly, from claim 15. Ex. 1001, 41:63–42:16, 42:29–34, 43:3–18. Patent Owner does not present arguments for these claims separate from those it submits for claim 15, which we have rejected above in the context of claim 15. We have reviewed Petitioner's submissions and determine that Petitioner has shown a reasonable likelihood that it would prevail in showing obviousness of claims 16–21, 26, 27, and 34–36 over Sivasubramanian and Zha.

D. Alleged Obviousness of Claims 1–36 over Sivasubramanian, Shekar, and Zha

1. Overview of Shekar (Exhibit 1007)

Shekar discloses a hyperconverged infrastructure (HCI) data storage system including a storage array, a first node, and a second node. Ex. 1007, code (57). The first node includes a virtualization layer supporting guest virtual machines running first applications, and the second node includes a virtualization layer supporting guest virtual machines running second applications. *Id.* An active first virtual storage controller is provided in the first virtualization layer for handling inputs and outputs accessing the storage array. *Id.* A second virtual storage controller is provided in the second virtualization layer in a standby mode. *Id.* An internal communication network facilitates communications between the first node and the second node. *Id.*

2. Claims 1, 3–8, 10–15, and 17–36

Petitioner asserts that the system according to the combined teaching of Sivasubramanian, Shekar, and Zha is identical to the system according to the combined teachings of Sivasubramanian and Zha, "except for the option of a data plane implemented with Shekar's HCI(s)." Pet. 80. On that basis,

Petitioner asserts that because claims 1, 4–8, 11–15, and 18–36 are "unaffected by the data plane implementation," those claims are rendered obvious by Sivasubramanian, Shekar, and Zha for the same reasons they are rendered obvious by Sivasubramanian and Zha. *Id.* Patent Owner presents no counter argument beyond those it asserts regarding the combination of Sivasubramanian and Zha. We determine, for the same reasons we explained above with respect to alleged obviousness over Sivasubramanian and Zha, that Petitioner has shown a reasonable likelihood that it would prevail in establishing obviousness of claims 1, 4–8, 11–15, and 18–36 over Sivasubramanian, Shekar, and Zha.

Petitioner further asserts that "when the cloud is chosen" as the location of the database, as is required by claims 3, 10, and 17, then the teachings of Shekar are relied upon and the combined teachings of Sivasubramanian, Shekar, and Zha meet the requirements of those claims. Pet. 80. However, neither the Petition nor the declaration of Dr. Bhattacharjee identifies where in Shekar there is disclosure that the location of data storage may be in the cloud. Nonetheless, because Petitioner's showing for claims 3, 10, and 17 based on only Sivasubramanian and Zha is sufficient for institution, Petitioner has shown a reasonable likelihood that it would prevail in establishing obviousness of claims 3, 10, and 17 over Sivasubramanian, Shekar, and Zha.

3. Claims 2, 9, and 16

Petitioner asserts:

> In Sivasubramanian+Shekar+Zha, a data plane may be implemented using Shekar's 'Hyperconverged Infrastructure (HCI),' which Shekar describes as an 'integrated **system**.' Shekar, [0037]; supra §VII.B. Thus, when the HCI option is chosen, the location where the database is to be provisioned

> comprises a hyperconverged infrastructure system, meeting claims 2, 9, and 16. [Ex. 1003] ¶283.

Pet. 80–81 (emphasis omitted). Patent Owner does not present arguments to the contrary. We determine Petitioner has shown a reasonable likelihood that it would prevail in establishing obviousness of claims 2, 9, and 16 over Sivasubramanian, Shekar, and Zha.

E. Patent Owner's Request for Discretionary Denial

1. Alleged Unfair Dealing

Patent Owner asserts:

> Discretionary denial is justified on fairness grounds based on the inventors' attempt to profit twice from their invention. *Minerva Surgical, inc. v. Hologic, Inc.*, 594 U.S. 559, 574-75 (2021). As the Supreme Court has explained, when "a person sells his patent rights, he makes an (at least) implicit representation to the buyer that the patent at issue is valid—that it will actually give the buyer his sought-for monopoly. In later raising an invalidity defense, the assignor disavows that implied warranty. And he does so in service of regaining access to the invention he has just sold." *Id.* at 575 (footnote omitted). That is "unfair dealing—enough to outweigh any loss to the public from leaving an invalidity defense to someone other than the assignor." *Id.*
>
> In this case, the Board should deny institution based on the actions of inventors Balasubrahmanyam Kuchibhotla, Kamaldeep Khanuja, Sujit Menon, and Maneesh Rawat. While working at Nutanix, these inventors assigned their rights to the inventions of the '818 patent to Nutanix. EX2002, 18–20. After profiting from Nutanix by doing so, Kuchibhotla and Khanuja left Nutanix to found petitioner Tessell. EX2010; EX2013. At Petitioner Tessell, the inventors sought to profit from their invention a second time by using it to compete with Nutanix. But as the Supreme Court stated, they should not be allowed to 'profit doubly—by gaining both the price of assigning the patent and the continued right to use the invention it covers." *Minerva Surgical*,

> 594 U.S. at 575. They should not be allowed to challenge the validity of the '818 patent. See id. The same goes for Petitioner. *Mentor Graphics Corp. v. Quickturn Design Sys., Inc.*, 150 f.3d 1374, 1379 (Fed. Cir. 1998) (treating like assignors parties in privity with the assignors). The Board should exercise its discretion under 35 U.S.C. § 314(a) to deny institution.

Prelim. Resp. 18–19.

Assignor estoppel, however, does not apply to *inter partes* review proceedings. *Arista Networks, Inc. v. Cisco Sys., Inc.*, 908 F.3d 792, 804 (Fed. Cir. 2018); *Athena Automation Ltd. v. Husky Injection Molding Sys. Ltd.*, IPR2013-00290, Paper 18 at 12–13 (PTAB Oct. 25, 2013) (precedential as to § II.A).

Patent Owner asserts that "[Patent Owner] is not arguing that assignor estoppel applies based on § 311(a). [Patent Owner] is arguing that the Board should exercise its discretion under § 314 in view of the inventor's unfair dealing." Prelim. Resp. 17 n.2. But, that is a difference without distinction. Patent Owner's assertion of unfair dealing is based on Petitioner being founded by two of the five named inventors of the '818 patent who had, prior to filing of the Petition, worked for Patent Owner and assigned their rights to the '818 patent to Patent Owner. *See* Prelim. Resp. 18. But for these two inventors having previously assigned their rights to the '818 patent to Patent Owner, there is no alleged unfair dealing in Petitioner's decision to file a petition against the '818 patent. Patent Owner may not apply the principle of assignor estoppel to *inter partes* review by calling the principle by a different name. Nor should Patent Owner be permitted to do indirectly what it may not do directly. As the Federal Circuit stated in *Arista Networks*, the plain language of 35 U.S.C. § 311(a) is "unambiguous" that

"the statute allows any person 'who is not the owner of a patent' to file an IPR." 908 F.3d at 803.

Accordingly, we decline to exercise discretion to deny the Petition on the basis of the alleged unfair dealing by two founders of Petitioner who are named co-inventors of the '818 patent.

2. 35 U.S.C. § 325(d)

Patent Owner contends that we should exercise discretion to deny institution under 35 U.S.C. § 325(d) based on the framework set forth in *Advanced Bionics, LLC v. Med-El Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 (PTAB Feb. 13, 2020) (precedential). Prelim. Resp. 16–17, 19–24. In *Advanced Bionics*, the Board applied a two-part framework in considering whether to exercise discretion to deny institution under 35 U.S.C. § 325(d):

> (1) whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office; and (2) if either condition of first part of the framework is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.

Advanced Bionics at 8 (footnote omitted).

Within this two-part framework, the Board considers a number of non-exclusive factors in evaluating whether to exercise its discretion under § 325(d). *See Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 (PTAB Dec. 15, 2017) (precedential as to § III.C.5, first para.); *see also Advanced Bionics* at 9–11. The factors set forth in *Becton, Dickinson* are as follows:

> (a) the similarities and material differences between the asserted art and the prior art involved during examination; (b) the cumulative nature of the asserted art and the prior art evaluated

> during examination; (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection; (d) the extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art; (e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and (f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments.

Becton, Dickinson at 17–18 (footnote omitted).

Becton, Dickinson factors (a), (b), and (d) relate to whether the art or arguments presented in the Petition are the same or substantially the same as those previously presented to the Office. *Advanced Bionics* at 10. Factors (c), (e), and (f) "relate to whether the petitioner has demonstrated a material error by the Office" in its prior consideration of that art or arguments. *Id.* Only if the same or substantially the same art or arguments were previously presented to the Office do we then consider whether petitioner has demonstrated a material error by the Office. *Id.* "At bottom, this framework reflects a commitment to defer to previous Office evaluations of the evidence of record unless material error is shown." *Id.* at 9.

Zha is a reference cited on the face of the '818 patent. Ex. 1001, code (56). So is a published application, US Pub. App. No. 2014/0229698 A1, which is a continuation of the application that issued as Sivasubramanian and which has substantially the same disclosure as Sivasubramanian except for the claims. *Id.* Thus, for the alleged ground of obviousness based on Sivasubramanian and Zha, substantially the same art was previously presented to the Examiner during prosecution of the '818 patent, and the first part of *Advanced Bionics* is met. *Ecto World, LLC v. RAI Strategic*

Holdings, Inc., IPR2024-01280, Paper 13, 4 (Stewart May 19, 2025) (Director Review) (precedential as to § A). We proceed to discuss the second part of *Advanced Bionics* below.

The Petitioner "must explain, with reference to *Becton Dickenson* factors (c), (e), and (f), how the Examiner erred in overlooking the prior art." *Ecto World*, Paper 13, 5. Petitioner asserts that "[a]llowing the claims was error material to patentability." Pet. 84. The Petitioner explains: "The prosecution did not include the expert testimony and evidence of a POSA's background knowledge presented in this Petition regarding why the claims are obvious." *Id.* Petitioner further explains: "[T]he examiner did not use [Sivasubramanian or Zha] in a rejection." *Id.* Both explanations rely on facts that are indicative of error material to patentability. *See Ecto World*, Paper 13, 5–6.

As we discussed above in Section III.C.3, Section III.C.5, and Section III.C.7, the accounting for limitation [1D], limitation [8D], and limitation [15D] is based on evidence of what is allegedly basic background knowledge well known to one of ordinary skill in the art, which evidence is lacking in full force in the prosecution record according to Petitioner. We agree with Petitioner that in light of the evidence presented in the Petition, the allowance of the challenged claims over US Pub. App. No. 2014/0229698 A1 and Zha was error material to patentability. We find that in light of the evidence presented by Petitioner, and based on the current record, reasonable minds would not disagree that limitation [1D], limitation [8D], and limitation [15D] were within the basic background knowledge well known to one of ordinary skill in the art.

Accordingly, both parts 1 and 2 of *Advanced Bionics* are met. We therefore decline to discretionarily deny institution of a trial based on the Petition.

IV. CONCLUSION

For the reasons discussed above, we determine that Petitioner has demonstrated a reasonable likelihood that it would prevail in showing that at least one claim of the '818 patent is unpatentable. Our analysis is based on the preliminary record developed thus far and may change after the record is developed fully, during trial.

We decline to exercise our discretion under 35 U.S.C. § 325(d) to deny institution of an *inter partes* review.

V. ORDER

Accordingly, it is:

ORDERED that, pursuant to 35 U.S.C. § 314(a), *inter partes* review is instituted as to claims 1–36 of the '818 patent on each of the grounds set forth in the Petition; and

FURTHER ORDERED that, pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4(b), *inter partes* review of the '818 patent shall commence on the entry date of this Decision, and notice is hereby given of the institution of a trial.

IPR2025-00298
Patent 11,860,818 B2

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EXHIBIT - E

MEMORANDUM

To: All PTAB Judges

From: Coke Morgan Stewart
Acting Under Secretary of Commerce for Intellectual Property
and Acting Director of the United States Patent and Trademark Office

Subject: Interim Processes for PTAB Workload Management

Date: March 26, 2025

The Patent Trial and Appeal Board (PTAB) is tasked with several statutory duties under 35 U.S.C. § 6(b), including deciding *ex parte* appeals from adverse examiner decisions by patent applicants and conducting America Invents Act (AIA) trial proceedings, such as *inter partes* reviews (IPRs) and post-grant reviews (PGRs). To ensure that the PTAB continues to meet its statutory obligations as to *ex parte* appeals, while continuing to maintain its capacity to conduct AIA proceedings, the Director will exercise her discretion on institution of AIA proceedings under 35 U.S.C. §§ 314(a) and 324(a) as outlined below.

First, decisions on whether to institute an IPR or PGR will be bifurcated between (i) discretionary considerations and (ii) merits and other non-discretionary statutory considerations. Under this interim procedure, the Director, in consultation with at least three PTAB judges, will determine whether discretionary denial of institution is appropriate. If it is appropriate, the Director will issue a decision denying institution. If it is not appropriate, the Director will issue a decision regarding that determination and refer the petition to a three-member panel of the PTAB assigned according to Standard Operating Procedure (SOP) 1 (Rev. 16). The three-member panel will then handle the case in the normal course including by issuing a decision on institution addressing the merits and other non-discretionary statutory considerations.

Second, to facilitate this bifurcated approach, the USPTO will permit parties to file separate briefing on requests for discretionary denial of institution. The discretionary denial briefing shall proceed as follows: (1) within two months of the date on which the PTAB enters a Notice of Filing Date Accorded to a petition, a patent owner may file a brief explaining any applicable bases for discretionary denial of institution; and (2) a petitioner may file an opposition brief no later than one month after the patent owner files its brief. Leave to file further briefing may be permitted for good cause. Consistent with 37 C.F.R. § 42.24, discretionary denial briefing will be limited to 14,000 words. A reply brief, if any, will be limited to 5,600 words. The merits briefing schedule and the schedule for requesting rehearing or Director Review as to a decision on institution remain unchanged.

Third, consistent with the discretionary considerations enumerated in existing Board precedent (including *Fintiv*, *General Plastic*, and *Advanced Bionics*[*]) and the Consolidated Trial Practice Guide (Nov. 2019), the parties are permitted to address all relevant considerations, which may include:

- Whether the PTAB or another forum has already adjudicated the validity or patentability of the challenged patent claims;
- Whether there have been changes in the law or new judicial precedent issued since issuance of the claims that may affect patentability;
- The strength of the unpatentability challenge;
- The extent of the petition's reliance on expert testimony;
- Settled expectations of the parties, such as the length of time the claims have been in force;
- Compelling economic, public health, or national security interests; and

[*] *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (Mar. 20, 2020) (precedential); *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (Sept. 6, 2027) (precedential as to § II.B.4.i); *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 (Feb. 13, 2020) (precedential).

- Any other considerations bearing on the Director's discretion.

The Director will also consider the ability of the PTAB to comply with pendency goals for *ex parte* appeals, its statutory deadlines for AIA proceedings, and other workload needs. *See* 35 U.S.C. § 316(b).

These processes aim to improve PTAB efficiency, maintain PTAB capacity to conduct AIA proceedings, reduce pendency in *ex parte* appeals, and promote consistent application of discretionary considerations in the institution of AIA proceedings. The processes described herein will be implemented in IPR and PGR proceedings where the deadline for the patent owner to file a preliminary response has not yet passed. In that situation, if the time for filing discretionary denial briefing as described herein has already elapsed, the patent owner may submit discretionary denial briefing within one month of the date of this memorandum.

The processes described herein are temporary in nature due, in part, to the current workload needs of the PTAB.

EXHIBIT - F

MEMORANDUM

To: All PTAB Judges

From: John A. Squires
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office

Subject: Director Institution of AIA Trial Proceedings

Date: October 17, 2025

To improve efficiency, consistency, and adherence to the statutory requirements for institution of trial, effective October 20, 2025, the Director will determine whether to institute trial for *inter partes* review ("IPR") and post-grant review ("PGR") proceedings.[1] This process will maintain PTAB's capacity to conduct IPR and PGR trials and promote consistent application of considerations for institution of trial proceedings before the PTAB. This approach to institution flows from the processes outlined in the March 26, 2025 memorandum entitled "Interim Processes for PTAB Workload Management" ("Interim Processes"),[2] under which the Director determines whether or not to deny a petition based on discretionary considerations.

Similar to the discretionary considerations process, the Director, in consultation with at least three PTAB judges, will determine whether to institute trials in all IPR and PGR proceedings. Upon review of discretionary considerations, the merits, and non-discretionary

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[1] Congress provided that the Director determines whether to institute trials under the America Invents Act. *See* 35 U.S.C. § 314(a) ("The Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition."); *id.* § 314(b) ("The Director shall determine whether to institute an inter partes review under this chapter pursuant to a petition . . . ."); *id.* § 314(c) ("The Director shall notify the petitioner and patent owner, in writing, of the Director's determination under subsection (a), and shall make such notice available to the public as soon as is practicable."); *see also id.* § 324(a), (c), (d) (similar).

[2] Available at https://www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf.

considerations, if the Director determines that institution is appropriate on at least one ground for one challenged claim, the Director will issue a summary notice to the parties granting institution. *See* 35 U.S.C. §§ 314(c), 324(d). Similarly, if the Director determines that institution is not appropriate, whether based on discretionary considerations, the merits, or other non-discretionary considerations, the Director will issue a summary notice denying institution. In proceedings involving novel or important factual or legal issues, the Director may issue a decision on institution addressing those issues. Additionally, where the Director determines detailed treatment of issues raised in a petition is appropriate (e.g., complex claim construction issues, priority analysis, or real party in interest determination), the Director may refer the decision on institution to one or more members of the PTAB. The Office has issued more than 580 decisions under the Interim Processes, providing substantial guidance on how the Director will handle discretionary considerations. Any instituted IPR or PGR proceeding will be referred to a three-member panel of the PTAB to conduct the trial and that panel will be assigned according to PTAB Standard Operating Procedure (SOP) 1 (Rev. 16).[3]

This Memorandum supersedes the Interim Processes to the extent that (1) routine decisions on institution will be limited to summary notices, and (2) merit-based decisions on whether to institute petitions will not be referred to a three-member panel of the PTAB. The process for briefing discretionary considerations, as outlined in the Interim Processes and the Discretionary Decisions webpage,[4] and the process for briefing the merits and non-statutory considerations will remain the same. Further, all petitions referred to the PTAB for consideration of the merits and non-discretionary considerations under the Interim Processes prior to October 20, 2025 will remain with a three-member panel.

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[3] Available at https://www.uspto.gov/sites/default/files/documents/sop1_r16_final.pdf.
[4] Available at https://www.uspto.gov/patents/ptab/interim-director-discretionary-process.

EXHIBIT - G

Paper No. 6
Filed: March 19, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TESSELL, INC.,
Petitioner,

v.

NUTANIX, INC.,
Patent Owner.

Case IPR2025-00298
Patent No. 11,860,818

PATENT OWNER'S PRELIMINARY RESPONSE

TABLE OF CONTENTS

I. Introduction 1

II. Background 5

A. The '818 Patent 5

B. Prosecution History 6

1. The '818 Patent Prosecution History 6

2. The '336 Patent Prosecution History 7

3. The '157 Patent Prosecution History 7

III. The Petition Fails to Establish that the '818 Patent Would Have Been Obvious 8

A. Ground 1: Petitioner's Combination Fails to Establish that "Receiv[ing] a Fourth Input Comprising a Selection of a Level of a Service Level Agreement (SLA) from a Plurality of Levels of the SLA to Protect the Database after Provisioning" Would Have Been Obvious 8

1. Sivasubramanian and Zha, Whether Alone or in Combination, Fail to Teach or Suggest the Claimed Selection of an SLA Level 9

2. Petitioner Fails to Prove Motivation to Combine 14

B. Ground 2: Petitioner Concedes that Shekar Does Not Relate to SLAs 16

IV. The Board Should Exercise Its Discretion to Deny Institution as a Matter of Fundamental Fairness and to Avoid Unnecessary Waste of Resources 16

A. Petitioner Should Not Be Allowed to Challenge the '818 Patent 17

B. There Is No Reason to Second Guess the Examiner 19

1. Sivasubramanian and Zha Were Considered 19

2. Petitioner Fails to Demonstrate Any Material Error in the Office's Review of Sivasubramanian and Zha 21

V. Conclusion 24

TABLE OF AUTHORITIES

Page(s)

Cases

Adidas AG v. Nike, Inc.,
963 F.3d 1355 (Fed. Cir. 2020) 14

Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH,
IPR2019-01469, Paper 6 (PTAB Feb. 13, 2020) ..... *passim*

Arendi S.A.R.L. v. Apple Inc.,
832 F.3d 1355 (Fed. Cir. 2016) 11

Arista Networks, Inc. v. Cisco Sys., Inc.,
908 F.3d 792 (Fed. Cir. 2018) 17

Athena Automation Ltd. v. Husky Injection Molding Sys. Ltd.,
IPR2013-00290, Paper 18 (PTAB Oct. 25, 2013) 17

Becton, Dickinson & Co. v. B. Braun Melsungen AG,
IPR2017-01586, Paper 8 (PTAB Dec. 15, 2017) 17, 19, 21

Fitesa Simpsonville, Inc. v. Procter & Gamble Co.,
IPR2023-01450, Paper 11 (PTAB Mar. 20, 2024) 22

Intel Corp. v. PACT XPP Schweiz AG,
No. 2023-1537, 2024 WL 5068112 (Fed. Cir. Dec. 11, 2024) 11

Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.,
821 F.3d 1359 (Fed. Cir. 2016) 15

InTouch Techs., Inc. v. VGO Commc'ns, Inc.,
751 F.3d 1327 (Fed. Cir. 2014) 14

Mentor Graphics Corp. v. Quickturn Design Sys., Inc.,
150 F.3d 1374 (Fed. Cir. 1998) 19

Minerva Surgical, Inc. v. Hologic, Inc.,
594 U.S. 559 (2021) 18-19

Nokia of Am. Corp. v. Soto,
IPR2023-00680, Paper 18 (PTAB Mar. 28, 2024) 19-20

Siemens Mobility, Inc. v. Metrom Rail, LLC,
IPR2024-00947, Paper 12 (PTAB Nov. 19, 2024) 22

TQ Delta, LLC v. CISCO Sys., Inc.,
942 F.3d 1352 (Fed. Cir. 2019) 15

Xerox Corp. v. Bytemark, Inc.,
IPR2022-00624, Paper 12 (PTAB Feb. 10, 2023) 13

Statutes

35 U.S.C. § 311(a) 4, 17

35 U.S.C. § 314(a) ..... *passim*

35 U.S.C. § 325(d) ..... *passim*

Regulations

37 C.F.R. § 42.1(b) 4, 17

I. Introduction

The story of this IPR begins in an unusual way. Petitioner's founders and employees recognized a problem in the art. They invented a solution. And they marketed the solution. They did all of this while employed by Patent Owner Nutanix.

After profiting a first time from their invention by assigning their rights in the '818 patent to their employer at the time, Nutanix, Balasubrahmanyam Kuchibhotla and Kamaldeep Khanuja left Nutanix and founded Petitioner Tessell, hiring away two other Nutanix employees, Sujit Menon and Maneesh Rawat. Then, these inventors sought to use their new company, Petitioner Tessell, to profit from their invention a second time by using it to compete with Nutanix. Having been sued for infringement of the '818 patent, they now challenge their own patent in this IPR.

Rather than allowing the inventors of the '818 patent to unjustly have their cake and eat it too, the Board should deny institution for both substantive and discretionary reasons.

Starting with the substance, before the '818 patent, provisioning a database was a labor-intensive manual process that "involve[d] creating and/or associating databases with the database system for management and use." EX1001, 3:41-43. The complex steps required for this creating and associating often took a user days to complete because they involved working with separate entities for several database provisioning and usage steps. *Id.*, 3:43-61. In the words of inventor Kuchibhotla in

October 2019 while he was Vice President and General Manager for Nutanix Era and Business Critical Apps, "I still see provisioning is one of the biggest pain point[s] that it takes like three to five weeks to kind of even create a database for some of our big customers and it kind of spans across multiple teams." EX2006, 1:54-2:05; EX2007, 1:54-2:05.

With the invention of the '818 patent, Nutanix changed the game. By allowing users to input a series of parameters to provision and manage a database, the database could be provisioned in a matter of minutes instead of days. EX1001, 4:8-16. In claim 1, the input parameters include a database name, a database engine, an indication of location where the database is to be provisioned, a selection of a Service Level Agreement ("SLA") level from a plurality of SLA levels, and a protection schedule. *Id.*, 40:6-31. In May 2019, while VP/GM at Nutanix, inventor Kuchibhotla marketed how easily a user can input parameters to provision a database within minutes. EX2008, 2:20-4:46; EX2009, 2:20-4:46.

Now, Kuchibhotla has changed his tune. His new company, Petitioner Tessell, challenges claims 1-36 of the '818 patent as being obvious over (i) the combination of Sivasubramanian (EX1005) and Zha (EX1006), and (ii) the combination of Sivasubramanian, Shekar (EX1007), and Zha.

Tessell's Petition has fatal flaws and should be denied. Petitioner concedes that no reference forming either ground discloses selecting an SLA level from a plurality

of SLA levels, as required by all of the claims. Pet., 31-32, 35, 54-55. Instead, Petitioner asserts that selecting an SLA level to provision a database was well known. *Id.*, 35-38. This assertion is defective for at least two reasons. First, Petitioner fails to cite any prior art reference demonstrating that the claimed selection of an SLA level from a plurality of SLA levels was known in the art. Petitioner must therefore resort to impermissible hindsight. Second, Petitioner fails to provide an adequate motivation to incorporate this supposed well-known missing limitation into the asserted combinations. Petitioner argues that including a UI element to receive selection of an SLA level was within a POSA's skill. *Id.*, 36. But at best, Petitioner's argument suggests that a POSA *could* combine a limitation missing from Petitioner's prior art with the references in Petitioner's grounds, not that a POSA *would have been motivated* to do so. As such, Petitioner's argument that selection of an SLA level from a plurality of SLA levels would have been obvious is both factually and legally defective. The Board should deny institution for these substantive reasons.

Turning to the Board's discretion under 35 U.S.C. § 325(d), compounding Petitioner's error, the missing SLA level limitation is the very limitation that the Examiner cited as missing from the prior art when allowing the '818 patent (which might explain why Petitioner could not produce evidence to support its claim of the limitation being "well-known"). As Petitioner concedes, both the Sivasubramanian and Zha disclosures were presented to the Examiner during prosecution of the '818

patent. In fact, their disclosures were cited in an Examiner's search report in an application to which the '818 patent's family is terminally disclaimed. Yet Petitioner presents no error in the Examiner's decision to allow the '818 patent over these references. The Petitioner also fails to produce evidence addressing the Examiner's finding that the SLA selection claim element is a key patentable feature. The Board should reject the inventors' attempt to re-tread the same ground covered during prosecution based on references both Petitioner and the Examiner found do not disclose the claimed selection of an SLA level from a plurality of SLA levels. The Board should therefore deny institution using its discretion under 35 U.S.C. § 325(d).

Finally, 35 U.S.C. § 311(a) may not preclude the inventors from challenging their own patent, but the Board has discretion under 35 U.S.C. § 314(a) to stop them from doing so. The Board should act to "secure the just, speedy, and inexpensive resolution of every proceeding." 37 C.F.R. § 42.1(b). Here, that means avoiding the injustice of the inventors making the invention while employed at Nutanix, assigning the '818 patent to their then-employer, and then using this proceeding to attack it through their new employer, Petitioner Tessell. For this additional reason, Nutanix asks the Board to deny institution using its discretion under 35 U.S.C. § 314(a).

II. Background

A. The '818 Patent

The '818 patent is generally directed to systems and methods for provisioning a database based upon a series of user inputs. For example, in claim 1, the user inputs allow a user to select a database engine, a location for the database, an SLA level from a plurality of SLA levels, and a protection schedule for protecting the database. EX1001, 40:6-31. Based on the SLA and the protection schedule, a processor can automatically capture snapshots of the database. *Id.*, 5:28-31.

As admitted by Petitioner (Pet., 49), the '818 patent defines an SLA as "an ***agreement*** between a service provider (e.g., the owner of the database system 200) and the user (e.g., the owner of the database) that outlines, among other things, the protection scope of the database," which "defines for how long data from the database being created or registered is retained" and "other or additional protection parameters." EX1001, 19:19-30 (emphasis added). The protection schedule "allow[s] the user to define the frequency of snapshots and transactional logs to be captured each day, and the time-period for capturing daily, weekly, monthly, and/or quarterly snapshots based upon the SLA." *Id.*, 6:5-8. The database system may either solicit a protection schedule and an SLA from the user or include "built-in defaults of the protection[] schedule and SLA levels that the user may select from." *Id.*, 5:62-67.

Unlike prior art database provisioning systems and methods, the '818 patent's systems and methods greatly simplified database provisioning steps, "allow[ing] the user to quickly and conveniently create a new database and associate the database with the database system without the need for contacting and working with multiple entities." *Id.*, 4:8-16. The '818 patent makes this improvement over the references cited in the Petition.

B. Prosecution History

The '818 patent claims priority to U.S. Application No. 16/234,553, which issued as U.S. Patent No. 11,010,336, which is the subject of a related IPR proceeding, IPR2025-00322. EX1001, (63). During prosecution of the '336 patent, the applicant filed a terminal disclaimer over U.S. Patent No. 10,817,157. EX2002, 282, 294-95. The prosecution histories of the '818, '336, and '157 patents demonstrate that the Patent Office already considered and dismissed the references forming Petitioner's grounds.

1. The '818 Patent Prosecution History

The '818 patent received a first action allowance on September 19, 2023; was withdrawn from issuance to allow for consideration of a further IDS on October 19, 2023; and was allowed again without updated commentary on November 15, 2023. EX1002, 311-14, 327-38, 352, 359. As recognized by Petitioner, "Zha and a descendant of Sivasubramanian were listed on an IDS signed by the examiner" during

prosecution. Pet., 83 (citing EX1002, 281-84). The descendant of Sivasubramanian has the same disclosure as Sivasubramanian here. In the reasons for allowance, after considering Zha and the descendant of Sivasubramanian, the Examiner found that "[t]he prior art does not teach or fairly suggest receive/receiving a fourth input comprising a selection of a level of a Service Level Agreement (SLA) from a plurality of levels of the SLA to protect the database after provisioning . . . ." EX1002, 359.

2. The '336 Patent Prosecution History

During prosecution of the '336 patent, to overcome a double patenting rejection, Nutanix filed a terminal disclaimer over the '157 patent. EX2002, 282, 294-95. The Examiner subsequently allowed the claims, stating that the "prior art does not teach or fairly suggest," among other things, receiving "selection of a Service Level Agreement ('SLA') and a protection schedule," and "setting up automatic capturing of snapshots and transactional logs based upon the SLA and the protection schedule for protecting the source database," "wherein the protection schedule comprises a first frequency at which the snapshots are captured and a second frequency at which the transactional logs are captured for protecting the source database." *Id.*, 325.

3. The '157 Patent Prosecution History

During prosecution of the '157 patent, the Examiner conducted a search, which uncovered U.S. Pub. No. 2014/0229698 (EX2004), the publication of U.S. Application No. 14/257,927, a continuation of the application that issued as Sivasubramanian,

which has the same disclosure. EX2003, 24-29. In the same search, the Examiner uncovered U.S. Pub. No. 2011/0093435 (EX2005), which is the publication of Zha. EX2003, 24-29. Following this search, the Examiner issued an examiner's amendment and allowed the claims, finding that "the prior art fails to disclose or suggest the combination of limitations recited in the claims 1, 23, and 29" (*id.*, 8-23), which include creating a source database upon receiving, among other things, selection of an SLA. Notably, the Examiner also considered the Sivasubramanian and Zha publications before allowing the '818 patent. EX1001, (56).

III. The Petition Fails to Establish that the '818 Patent Would Have Been Obvious

Petitioner alleges that claims 1-36 of the '818 patent would have been obvious over Sivasubramanian (EX1005) in view of Zha (EX1006). For the reasons explained below, Petitioner fails to show that there is a reasonable likelihood that it would prevail with respect to any of the challenged claims. Although Nutanix focuses on independent claim 1, Petitioner's grounds fail for the same reasons for the other independent claims because Petitioner concedes they all include the disputed elements. Pet., 80.

A. Ground 1: Petitioner's Combination Fails to Establish that "Receiv[ing] a Fourth Input Comprising a Selection of a Level of a Service Level Agreement (SLA) from a Plurality of Levels of the

SLA to Protect the Database after Provisioning" Would Have Been Obvious

Petitioner's combination of Sivasubramanian and Zha fails to teach or suggest element [1C],[1] which requires selection of an SLA level from a plurality of SLA levels for protecting a database.

1. Sivasubramanian and Zha, Whether Alone or in Combination, Fail to Teach or Suggest the Claimed Selection of an SLA Level

Petitioner relies on the combination of Sivasubramanian and Zha to allegedly render obvious the claimed selection of an SLA level. Pet., 49-50. But neither Sivasubramanian nor Zha discloses SLA level selection as claimed.

Petitioner acknowledges as much. Petitioner concedes that neither Sivasubramanian nor Zha teaches selection of an SLA level to protect a database after provisioning, as claimed. First, with respect to Sivasubramanian, Petitioner admits that it "does not restrict implementation details such as how often to take the snapshots and back up the transaction logs each day, what time of day these events occur, or how long to retain the snapshots and logs." *Id.*, 31-32. Petitioner then recognizes that "the

[1] For convenience, Nutanix uses Petitioner's labeling of the claim elements. This should not be construed as any concession that Petitioner's labeling is correct or appropriate.

Figure 5 UI [of Sivasubramanian] would be further modified to receive the claimed *fourth* and *fifth* inputs" (*id.*, 54-55), the fourth input being the input comprising a selection of an SLA level. Although this modification is presumably based on Zha (the only other reference named in the combination), Petitioner admits that "Zha does not mandate a specific interface for specifying policies with snapshot or transaction log retention periods." *Id.*, 35. Thus, based on Petitioner's concessions alone, the combination of Sivasubramanian and Zha fails to render this element obvious.

Petitioner is right to concede that neither Sivasubramanian nor Zha discloses selection of an SLA level to protect a database after provisioning. The '818 patent's claims enable automatic data protection based on the selected SLA level and a selected protection schedule. EX1001, 5:28-31, 33:10-14, 40:16-31. Sivasubramanian's embodiments, on the other hand, rely on a request submitted by a user or customer to initiate a backup workflow. EX1005, 2:26-32, 19:21-25, 19:35-39. Nowhere does Sivasubramanian teach or suggest selection of a database protection setup based on selection of an SLA level. And, at best, Zha discloses a "log retention policy." EX1006, 16:29-33. But, as Petitioner recognizes, disclosure of snapshot or transaction log retention periods alone does not render obvious a claim element requiring a "specific interface for specifying" those things. Pet., 35.

Recognizing that its obviousness combination lacks the SLA level claim element, Petitioner attempts to fill that gap using more than a dozen references that are

not part of Petitioner's grounds without providing any motivation as to why a POSA would have combined any of these references with Sivasubramanian and/or Zha with a reasonable expectation of success. Under *Arendi S.A.R.L. v. Apple Inc.*, however, a POSA's background knowledge should be invoked to supply a limitation "admittedly *missing* from the prior art" only when "the [missing] limitation in question [is] unusually simple and the technology particularly straightforward." 832 F.3d 1355, 1361-62 (Fed. Cir. 2016). And *Arendi* cautioned that a POSA's background knowledge "cannot be used as a wholesale substitute for reasoned analysis and evidentiary support, especially when dealing with a limitation missing from the prior art references specified." *Id.* at 1362. Here, Petitioner's use of assertions about what is well known to address a key missing limitation, without adequate motivation to combine, fall short of this standard. Thus, Petitioner's obviousness arguments are deficient as a matter of law and its additional references should not be considered.

Intel Corp. v. PACT XPP Schweiz AG is instructive in this regard. No. 2023-1537, 2024 WL 5068112, at *2 (Fed. Cir. Dec. 11, 2024). In *Intel*, as here, the petitioner relied on a reference not part of any ground to supply a limitation missing from its grounds. *Id.* at *1. Because the reference was used to supply a missing claim limitation, not "to describe the state of the art," the Board found that the petitioner needed to include the reference in the asserted grounds and present an adequate motivation to combine. *Id.* The petitioner's failure to do so meant the Board declined

to consider the added reference. *Id.* The Federal Circuit affirmed, finding the Board's conclusion that the reference was used to supply a missing claim limitation supported by substantial evidence. *Id.* at *2.

Even if fully considered, none of Petitioner's many cited references teach selection of an SLA level from a plurality of SLA levels to protect a database after provisioning, and Petitioner never argues otherwise. Pet., 35-38. Instead of confronting this directly, Petitioner makes several underlying assertions in support of its ultimate conclusion that it was well known in database creation to accept an SLA-level selection. *Id.*, 36-37. First, Petitioner asserts that specifying a retention period by selecting a "service level" was known in the art. *Id.*, 35 (noting Figure 6 of Tekade depicts a UI "for *configuring a single SLA* protecting a database" despite asserting that "levels were often specified by *choosing a predefined* 'service level agreement'" (emphases added) (quoting EX1017, ¶ [0046])). Second, Petitioner asserts that SLAs unrelated to database retention policies could have multiple "levels," such as "gold" and "silver." *Id.* (quoting EX1003, ¶ 138). Third, Petitioner asserts that database users were familiar with selecting predefined options through a GUI. *Id.*, 36. But even if each of these assertions were fully supported by Petitioner's gap-filler references (they are not), Petitioner would still be unable to demonstrate that selection of an SLA level from a plurality of SLA levels to protect a database after provisioning, as the claims require, was known in the art.

Petitioner's assertions are individually deficient and cannot be combined to demonstrate that the claimed selection was known because they are based on unrelated prior art references. As to Petitioner's first and third assertions, neither choosing a "'service level' specifying [a] retention period" (*id.*, 35) nor "letting users [select] from predefined sets of parameter values" (*id.*, 36) demonstrate that selection of an SLA level (i.e., service level ***agreement*** level) from a plurality of SLA levels to protect a database after provisioning was known in the art. And as to Petitioner's second assertion, the fact that "multiple SLA 'levels' [could have] names like 'gold,' 'silver,' etc." (*id.*, 35 (quoting EX1003, ¶ 138)) does not disclose selection of an SLA level to protect a database after provisioning. Indeed, that inventor Kuchibhotla touted the ease with which a database can be provisioned using this feature suggests that it was not known in the art. EX2008, 2:20-4:46; EX2009, 2:20-4:46.

Dr. Bhattacharjee's conclusory testimony, which is little more than a verbatim recitation of the Petition's arguments, adds no support for the Petition's assertions and fails to demonstrate that they render this element obvious. *See Xerox Corp. v. Bytemark, Inc.*, No. IPR2022-00624, Paper 12, at 5 (PTAB Feb. 10, 2023) (Director Review) (precedential) (finding the Board "correct in giving little weight" to the expert testimony because the "declaration merely offered conclusory assertions without underlying factual support and repeated, *verbatim*, [Xerox's] conclusory arguments").

Thus, the Petition fails to demonstrate that selection of an SLA level from a plurality of SLA levels to protect a database after provisioning was known in the art or obvious.

2. Petitioner Fails to Prove Motivation to Combine

Even if Petitioner somehow shows that Zha teaches selection of an SLA (it cannot), Petitioner's obviousness argument still fails because Petitioner failed to articulate a proper motivation to combine. Petitioner argues that "POSAs understood that it was typical to collect snapshots and other database-backup information at user-configurable frequencies and times and store such information for user-configurable retention periods." Pet., 32. Beyond this conclusory statement that setting retention frequencies and periods was known, Petitioner does little to offer any legitimate motivation as to why a POSA would have modified Sivasubramanian with Zha's teachings with a reasonable expectation of achieving the claimed invention, including the claimed selection of an SLA.

It is well established that the "obviousness inquiry does not merely ask whether a skilled artisan could combine the references, but instead asks whether 'they would have been motivated to do so.'" *Adidas AG v. Nike, Inc.*, 963 F.3d 1355, 1359 (Fed. Cir. 2020) (quoting *InTouch Techs., Inc. v. VGO Commc'ns, Inc.*, 751 F.3d 1327, 1352 (Fed. Cir. 2014)). Petitioner's bald statements about what is supposedly known without directly addressing motivation and reasonable expectation of success for the

claimed selection of an SLA are legally deficient. *Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1367 (Fed. Cir. 2016) (holding that the "reasonable expectation of success" inquiry is not about "whether one would reasonably expect the prior art references to operate as those references intended once combined," but rather about whether a POSA had "a motivation to combine accompanied by a reasonable expectation of achieving what is claimed in the patent-at-issue").

Petitioner's expert, Dr. Bhattacharjee, likewise offers conclusory opinions without any supporting evidence (EX1003, ¶¶ 126-129), which cannot be used to overcome Petitioner's failure to articulate a proper motivation to combine. *TQ Delta, LLC v. CISCO Sys., Inc.*, 942 F.3d 1352, 1359-61 (Fed. Cir. 2019) (refusing to credit conclusory expert testimony that a POSA "*could* combine these references, not that they *would* have been motivated to do so," because doing so "risks allowing the challenger to use the challenged patent as a roadmap to reconstruct the claimed invention using disparate elements from the prior art—i.e., the impermissible *ex post* reasoning and hindsight bias that *KSR* warned against" (citation omitted)). Dr. Bhattacharjee cites to several references that are not part of Petitioner's obviousness combination as purportedly corroborating his motivation testimony. EX1003, ¶¶ 127-129. As explained above, however, these references do not teach or suggest selecting an SLA level from a plurality of SLA levels for protecting a database after provisioning, as the '818 patent's claims require, so they would not have

motivated a POSA to modify Sivasubramanian and/or Zha with a reasonable expectation of achieving the '818 patent's claims.

B. Ground 2: Petitioner Concedes that Shekar Does Not Relate to SLAs

Petitioner alleges that claims 1-36 of the '818 patent would have been obvious over Sivasubramanian in view of Zha. Petitioner concedes that the combination in Ground 2 (Sivasubramanian + Shekar + Zha) "is identical to . . . Sivasubramanian+Zha," except that Shekar discloses HCIs and that the UIs in the Ground 2 combination accept additional parameters. Pet., 80.

Notably, Petitioner does not rely on Shekar to cure any of the deficiencies for element [1C]. Thus, Petitioner's combination in Ground 2 is deficient for the same reasons discussed above for Ground 1 in Section III.A.

IV. The Board Should Exercise Its Discretion to Deny Institution as a Matter of Fundamental Fairness and to Avoid Unnecessary Waste of Resources

The Board should deny institution under 35 U.S.C. § 314(a) because this challenge comes from the inventors of the '818 patent themselves, who previously assigned the patent to Nutanix and touted its benefits.

Additionally, the Board should deny institution under 35 U.S.C. § 325(d) at least because Petitioner (1) presents the same art previously considered by the Office but (2) fails to demonstrate that the Office erred in a manner material to the patentability of the challenged claims. *See Advanced Bionics, LLC v. MED-EL Elektromedizinische*

Geräte GmbH, IPR2019-01469, Paper 6, at 8-9 (PTAB Feb. 13, 2020) (precedential); *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8, at 17-18 (PTAB Dec. 15, 2017) (precedential as to § III.C.5, first paragraph).

A. Petitioner Should Not Be Allowed to Challenge the '818 Patent

The Board should exercise its discretion to deny institution of this proceeding to "secure the just, speedy, and inexpensive resolution of every proceeding." 37 C.F.R. § 42.1(b). Specifically, to secure the just and inexpensive resolution of this proceeding, and to secure the speedy resolution of other proceedings (by not wasting any more time on this proceeding), the Board should exercise its discretion to deny institution based on the inventors' unfair dealing.[2]

[2] The Board and the Federal Circuit have previously held that assignor estoppel does not apply in IPRs based on the language of 35 U.S.C. § 311(a). *Athena Automation Ltd. v. Husky Injection Molding Sys. Ltd.*, IPR2013-00290, Paper 18, at 12-13 (PTAB Oct. 25, 2013) (precedential as to § II.A); *Arista Networks, Inc. v. Cisco Sys., Inc.*, 908 F.3d 792, 804 (Fed. Cir. 2018). But Nutanix is not arguing that assignor estoppel applies based on § 311(a). Nutanix is arguing that the Board should exercise its discretion under § 314(a) in view of the inventors' unfair dealing, something neither *Athena Automation* nor *Arista Networks* addressed.

Discretionary denial is justified on fairness grounds based on the inventors' attempt to profit twice from their invention. *Minerva Surgical, Inc. v. Hologic, Inc.*, 594 U.S. 559, 574-75 (2021). As the Supreme Court has explained, when "a person sells his patent rights, he makes an (at least) implicit representation to the buyer that the patent at issue is valid—that it will actually give the buyer his sought-for monopoly. In later raising an invalidity defense, the assignor disavows that implied warranty. And he does so in service of regaining access to the invention he has just sold." *Id.* at 575 (footnote omitted). That is "unfair dealing—enough to outweigh any loss to the public from leaving an invalidity defense to someone other than the assignor." *Id.*

In this case, the Board should deny institution based on the actions of inventors Balasubrahmanyam Kuchibhotla, Kamaldeep Khanuja, Sujit Menon, and Maneesh Rawat. While working at Nutanix, these inventors assigned their rights to the inventions of the '818 patent to Nutanix. EX2002, 18-20. After profiting from Nutanix by doing so, Kuchibhotla and Khanuja left Nutanix to found Petitioner Tessell. EX2010; EX2011. They subsequently hired Menon and Rawat away from Nutanix. EX2012; EX2013. At Petitioner Tessell, the inventors sought to profit from their invention a second time by using it to compete with Nutanix. But as the Supreme Court stated, they should not be allowed to "profit doubly—by gaining both the price of assigning the patent and the continued right to use the invention it covers." *Minerva*

Surgical, 594 U.S. at 575. They should not be allowed to challenge the validity of the '818 patent. *See id.* The same goes for Petitioner. *Mentor Graphics Corp. v. Quickturn Design Sys., Inc.*, 150 F.3d 1374, 1379 (Fed. Cir. 1998) (treating like assignors parties in privity with the assignors). The Board should exercise its discretion under 35 U.S.C. § 314(a) to deny institution.

B. There Is No Reason to Second Guess the Examiner

1. Sivasubramanian and Zha Were Considered

Petitioner concedes that "Zha and a descendant of Sivasubramanian [were] listed on an IDS signed by the examiner" during prosecution. Pet., 83 (citing EX1002, 281-84). Thus, part (1) of the Board's two-part framework under *Advanced Bionics* is satisfied by the Examiner's acknowledgement of the Applicant's list of cited references alone. Under *Becton, Dickinson* factor (a), Sivasubramanian and Zha have the same disclosures as the Zha reference and descendant of Sivasubramanian cited to the Office during prosecution of the '818 patent (EX2004). There are thus no material differences between these references. Similarly, under *Becton, Dickinson* factor (b), Sivasubramanian and Zha are not merely cumulative of the references considered during prosecution, they are substantively identical. Finally, because substantively identical art was presented to the Office during prosecution of the '818 patent, *Becton, Dickinson* factor (d) is irrelevant to the analysis. *See Becton, Dickinson*, IPR2017-01586, Paper 8, at 17-18, 23-24; *Nokia of Am. Corp. v. Soto*, IPR2023-00680, Paper

18, at 4 (PTAB Mar. 28, 2024) (Director Review) ("[T]he first part of the *Advanced Bionics* framework is satisfied if either substantially the same prior art ***or*** substantially the same arguments were previously presented to the Office . . . .").

Petitioner erroneously argues that *Advanced Bionics* part (1) "weighs against discretionary denial" because "the examiner did not articulate consideration" of Sivasubramanian and Zha in the record. Pet., 83. Petitioner's argument is flawed because Petitioner relies on a notice of proposed rulemaking to present the previous Patent Office Director's intent for discretionary denial determinations. Notices of proposed rulemaking, however, are not law and are not binding. Because no rule has been promulgated following the notice, Petitioner's reliance on the apparent standard set forth in it is incorrect. *See Advanced Bionics*, IPR2019-01469, Paper 6, at 7-8 ("Previously presented art includes art made of record by the Examiner, and art provided to the Office by an applicant, such as on an Information Disclosure Statement (IDS), in the prosecution history of the challenged patent."). Under the correct standard, and as Petitioner concedes, Sivasubramanian and Zha were both before the Office during prosecution of the '818 patent, and part (1) of the *Advanced Bionics* framework favors denial.

2. Petitioner Fails to Demonstrate Any Material Error in the Office's Review of Sivasubramanian and Zha

"If, after review of factors (a), (b), and (d), it is determined that the same or substantially the same art or arguments previously were presented to the Office, then [*Becton, Dickinson*] factors (c), (e), and (f) relate to whether the petitioner has demonstrated a material error by the Office." *Advanced Bionics*, IPR2019-01469, Paper 6, at 10. *Becton, Dickinson* describes these factors as follows: "(c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection"; "(e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and (f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments." IPR2017-01586, Paper 8, at 17-18.

With respect to *Becton, Dickinson* factor (c), Petitioner asserts that the mere fact that the Examiner did not use Sivasubramanian or Zha in a rejection weighs against denial. Petitioner's assertion, however, overlooks that Sivasubramanian and Zha were first cited by the Office during prosecution of a related application. The Office first cited the descendant of Sivasubramanian, U.S. Pub. No. 2014/0229698, in a Notice of References Cited during prosecution of the '157 patent. EX2003, 26. In the same Notice of References Cited, the Office also cited Zha's publication, U.S. Pub. No. 2011/0093435. *Id.*, 25. The '336 patent, to which the '818 patent claims priority, is

terminally disclaimed over the '157 patent. EX2002, 282, 294-95. Thus, the Patent Office introduced and substantively considered the teachings of Sivasubramanian and Zha and (correctly) determined that they were not material to patentability. *Becton, Dickinson* factor (c) favors denial.

With respect to *Becton, Dickinson* factor (e), Petitioner fails to point out specifically how the Examiner erred in evaluating Sivasubramanian and Zha. *See Advanced Bionics*, IPR2019-01469, Paper 6, at 21 ("Petitioner must demonstrate that the Examiner erred in the evaluation of the prior art, for example, by showing that the Examiner misapprehended or overlooked specific teachings in the relevant prior art such that the error by the Office was material to the patentability of the challenged claims."); *see id.* at 8-9 n.9. Instead, Petitioner simply disagrees with the Examiner's consideration and rejection of Sivasubramanian and Zha, an "error" that the Board has repeatedly rejected. *See Siemens Mobility, Inc. v. Metrom Rail, LLC*, IPR2024-00947, Paper 12, at 17-19 (PTAB Nov. 19, 2024); *Fitesa Simpsonville, Inc. v. Procter & Gamble Co.*, IPR2023-01450, Paper 11, at 20 (PTAB Mar. 20, 2024) ("Petitioner merely disagrees with the Examiner's findings and conclusions[,] which is insufficient to establish material error by the Office."). To satisfy its burden under *Becton, Dickinson* factor (e), it is not sufficient for Petitioner to merely point to its proposed Grounds' mapping of claim limitations to applied references. *See Advanced Bionics*, IPR2019-01469, Paper 6, at 9 ("If reasonable minds can disagree regarding the

purported treatment of the art or arguments, it cannot be said that the Office erred in a manner material to patentability. At bottom, this framework reflects a commitment to defer to previous Office evaluations of the evidence of record unless material error is shown.").

Moreover, Petitioner's analysis overlooks the Examiner's Reasons for Allowance of the '818 patent. There, the Examiner stated that "[t]he prior art does not teach or fairly suggest receive/receiving a fourth input comprising a selection of a level of a Service Level Agreement (SLA) from a plurality of levels of the SLA to protect the database after provisioning . . . ." EX1002, 359. In its analysis under § 325(d), Petitioner fails to even address this element, much less show that the Examiner misapprehended or overlooked specific teachings in Sivasubramanian or Zha such that the error by the Office was material to patentability of this element. Yet, this is the exact limitation that Petitioner concedes is missing from the Sivasubramanian + Zha combination. Pet., 31-32, 35, 54-55. And Petitioner concedes that Shekar does not cure this deficiency in Sivasubramanian + Zha. Pet., 80. In other words, Petitioner's own statements demonstrate that the Examiner did not materially err in finding the claims patentable over Sivasubramanian and Zha. *Becton, Dickinson* factor (e) thus favors denial.

With respect to *Becton, Dickinson* factor (f), Petitioner asserts only that the Examiner was not presented with "the expert testimony and evidence of a POSA's

background knowledge presented in this Petition regarding why the claims are obvious." Pet., 84. But this conclusory assertion fails to explain what facts or evidence the Examiner supposedly overlooked and fails to explain how they demonstrate material error by the Office. As explained above, that Petitioner concedes that nether Sivasubramanian nor Zha discloses the limitation cited in the Examiner's Reasons for Allowance demonstrates that such conclusory analysis cannot demonstrate error by the Office. *Becton, Dickinson* factor (f) thus favors denial.

In sum, the Board should exercise its discretion under 35 U.S.C. § 325(d) to deny institution of this Petition based on the Board's *Advanced Bionics* decision.

V. Conclusion

For these reasons, Petitioner has failed to establish a reasonable likelihood of showing that any of claims 1-36 are unpatentable. Accordingly, the Board should deny institution of an *inter partes* review.

Respectfully submitted,

Dated: March 19, 2025

By: /Joshua L. Goldberg/
Joshua L. Goldberg
Reg. No. 59,369

Case IPR2025-00298
Patent No. 11,860,818

CERTIFICATE OF COMPLIANCE

Pursuant to 37 C.F.R. § 42.24(d), I, Joshua L. Goldberg, certify that **Patent Owner's Preliminary Response** contains 5,532 words, excluding those portions identified in 37 C.F.R. § 42.24(a), as measured by the word-processing system used to prepare this paper.

Dated: March 19, 2025

/Joshua L. Goldberg/
Joshua L. Goldberg
Reg. No. 59,369

Case IPR2025-00298
Patent No. 11,860,818

CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing **Patent Owner's Preliminary Response** was served electronically via email on March 19, 2025, in its entirety on the following:

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Dated: March 19, 2025

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EXHIBIT - H

Paper No. 13
Filed: June 16, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TESSELL, INC.,
Petitioner,

v.

NUTANIX, INC.,
Patent Owner.

Case IPR2025-00298
Patent No. 11,860,818

PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW

TABLE OF CONTENTS

I. Petitioner's Unfair Dealing Favors Discretionary Denial 2

II. Settled Expectations of Nutanix Favors Discretionary Denial 5

III. 35 U.S.C. § 325(d) Favors Discretionary Denial 7

IV. Conclusion 8

For the same reasons the Director exercised her discretion to deny institution in related proceeding IPR2025-00322, the Director should reverse the panel's institution decision here because "[i]t is not an appropriate use of Office resources where the inventors applied for and were issued a patent, but, as is the case here, now advocate for its unpatentability." *Tessell, Inc. v. Nutanix, Inc.*, IPR2025-00322, Paper 14 at 1 (P.T.A.B. Jun. 12, 2025) (granting Patent Owner's request for discretionary denial and denying institution of *inter partes* review).

Just like that case, Petitioner Tessell's founders and employees recognized a problem in the art, invented a solution, and marketed the solution. They did so while employed by Patent Owner Nutanix. After profiting a first time from their invention by assigning their rights in the '818 patent to their employer at the time, Nutanix, Balasubrahmanyam Kuchibhotla and Kamaldeep Khanuja left Nutanix and founded Petitioner Tessell, hiring away two other Nutanix employees, Sujit Menon and Maneesh Rawat. Then, these inventors sought to use their new company, Petitioner Tessell, to profit from their invention a second time by using it to compete with Nutanix. Having been sued for infringement of the '818 patent, they now challenge their own patent in this IPR. This is unfair dealing warranting the Director's exercise of discretionary denial under 35 U.S.C. § 314(a), just as in IPR2025-00322. Moreover, these inventors represented in their patent assignment agreement to Nutanix and the Patent Office that they would not execute any documents in conflict

with their assignment (EX2002, 18-20). This created a settled expectation and was an acquiescence as to the patentability of the '818 patent, further warranting discretionary denial.

The grounds raised in the petition also merit discretionary denial at least to promote efficiency. The examiner during prosecution already considered the same art in this proceeding. Petitioner recycles that art and adds an expert declaration. In declining to exercise discretionary denial, the panel erroneously required Nutanix to show that Petitioner's expert testimony and purported background knowledge were before the examiner, which is the incorrect standard under 35 U.S.C. § 325(d).

I. Petitioner's Unfair Dealing Favors Discretionary Denial

Consistent with the Director's decision denying institution in the parent patent '336 IPR based on the same facts, the Director should reverse the panel's decision declining to exercise its discretion to deny institution based on Petitioner's unfair dealing.

While employed at Patent Owner Nutanix, inventors Balasubrahmanyam Kuchibhotla, Kamaldeep Khanuja, Sujit Menon, and Maneesh Rawat assigned their rights to the inventions of the '818 patent to Nutanix. EX2002, 18-20. Specifically, the inventors executed an assignment agreement in November of 2018, representing and warranting that they have "the full and unencumbered right to sell, assign, and transfer the interests" in the claimed inventions and that they "will not execute any

document or instrument in conflict herewith." EX2002 at 19-20. After profiting from Nutanix by doing so, Kuchibhotla and Khanuja left Nutanix to found Petitioner Tessell. EX2010; EX2011. They subsequently hired Menon and Rawat away from Nutanix. EX2012; EX2013. After founding Petitioner Tessell, the inventors sought to profit from their invention a second time by using it to compete with Nutanix and challenge the patentability of the invention they assigned to Nutanix, contravening the representations made in the assignment agreement. This is unfair dealing, POPR at 1, 4, 18, and the Director should exercise her discretion to prevent it.

Tessell's founder/inventors should not be allowed to "profit doubly—by gaining both the price of assigning the patent and the continued right to use the invention it covers." *Minerva Surgical, Inc. v. Hologic, Inc.*, 594 U.S. 559, 575 (2021). They should not be allowed to challenge the patentability of the '818 patent. *See id.* ("When an assignor warrants that a patent is valid, his later denial of validity breaches norms of equitable dealing."). The same goes for Petitioner Tessell itself. *Mentor Graphics Corp. v. Quickturn Design Sys., Inc.*, 150 F.3d 1374, 1379 (Fed. Cir. 1998) (treating like assignors parties in privity with the assignors).

Despite these clear facts supporting unfair dealing, the panel erroneously declined to exercise its discretion to deny institution, stating that "[a]ssignor estoppel … does not apply to *inter partes* review proceedings" based on 35 U.S.C. § 311(a). Paper 11 at 22. In doing so, the panel failed to appreciate that "[a]lthough assignor

estoppel does not apply in *inter partes* reviews under 35 U.S.C. § 311(a) . . . , the Office may consider unfair dealings as a factor when determining whether to exercise discretion to deny institution under 35 U.S.C. § 314(a)." IPR2025-00322, Paper 14 at 2 (denying institution of *inter partes* review on a related Nutanix patent challenged by its inventors and employees of Petitioner Tessell). Moreover, the cases that the panel relied on—*Arista Networks, Inc. v. Cisco Sys., Inc.*, 908 F.3d 792 (Fed. Cir. 2018) and *Athena Automation Ltd. v. Husky Injection Molding Sys. Ltd.*, IPR2013-00290, Paper 18 (PTAB Oct. 25, 2013)—were decided several years before the USPTO adopted the *Fintiv* framework for discretionary considerations under 35 U.S.C. § 314(a), which provides broad discretion for the Director to deny institution on "other circumstances that impact the Board's exercise of discretion, including the merits." *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 6 (Mar. 20, 2020) (precedential). Petitioner's unfair dealing thus falls within the scope of the *Fintiv* framework.

The panel also erred by determining that, "[b]ut for these two inventors having previously assigned their rights to the '818 patent to Patent Owner, there is no alleged unfair dealing in Petitioner's decision to file a petition against the '818 patent." Paper 11 at 22. This statement overlooks the importance of the inventor's obligations vis-à-vis their assignments and Patent Owner Nutanix's reasonable reliance on them.

Petitioner may argue that there is no unfair dealing because the inventors signed an invention assignment as part of an employment agreement that pertains to future inventions made during their employment, citing *Minerva*. But this is incorrect. In *Minerva*, the Supreme Court held that assignor estoppel may not apply if an inventor assigns the invention before the "inventor can possibly make a warranty of validity as to specific patent claims," such as in "a common employment arrangement," in which an "employee assigns to his employer patent rights in any future inventions he develops during his employment; the employer then decides which, if any, of those inventions to patent." *Minerva*, 594 U.S. at 576. Here, the '818 patent inventors signed a patent assignment agreement specifically assigning the inventions of the '818 patent. *See* EX2002, 18-20. Thus, unlike the general prospective employment scenario addressed in *Minerva*, the inventors knew that they were assigning the inventions at issue—and promising not to later challenge them—when they executed the assignment agreement.

II. Settled Expectations of Nutanix Favors Discretionary Denial

Given that the inventors either founded or work for Petitioner, Petitioner knew of the inventions of the '818 patent since the filing of the parent application (U.S. Pat. Appl. No. 16/234,553) on December 27, 2018, which issued as the '336 patent on May 18, 2021. Moreover, Petitioner was aware of the application that led to the '818 patent (U.S. Pat. Appl. No. 18/113,528) at least as early as its filing date on

February 23, 2023. Yet, Petitioner did not file petitions against the '818 patent and the '336 patent until December of 2024—nearly ***six*** years from the filing of the parent application. *iRhythm Techs., Inc. v. Welch Allyn, Inc.*, IPR2025-00363, Paper 10 at 3 ("Petitioner's awareness of Patent Owner's applications and failure to seek early review of the patents favors denial and outweighs the above-discussed considerations."). And the inventors knew of their own representations in November 2018 not to take steps in conflict with their assignment of the inventions. EX2002, 18-20. Thus, the totality of the circumstances here created an implicit expectation between the parties and an acquiescence as to the patentability of the claims of the '818 patent, warranting the Director's exercise of discretion.

To the extent Tessell argues that Nutanix is precluded from presenting arguments on the settled expectations of the parties, that is incorrect. Nutanix's preliminary response was due on March 19, 2025—after the Director rescinded the June 21, 2022 memorandum on "Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation" but before the issuance of the Director's March 26, 2025 memorandum on "Interim Processes for PTAB Workload management." The March 26, 2025 guidance lists settled expectations of the parties as one of the considerations for discretionary denial, which was not listed in the prior guidance. Thus, Nutanix should be given an opportunity to present arguments based on the new discretionary denial procedures.

III. 35 U.S.C. § 325(d) Favors Discretionary Denial

The Director should additionally exercise her discretion to deny institution under § 325(d) because the same and substantially the same prior art was already considered by the office and found deficient. Instead of addressing that deficiency in this proceeding, Petitioner advances the same art with purported "background knowledge of a POSA." Paper 2 at 84.

The panel correctly recognized that *Advanced Bionics* factor one favors discretionary denial because Zha and a descendant of Sivasubramanian were of record during prosecution. Paper 11 at 24. However, the panel erred in its analysis of *Advanced Bionics* factor two, when it found error in the examiner's consideration of the art of record.

The panel found that factor two disfavors discretionary denial because the examiner did not apply Sivasubramanian and Zha in a rejection and the prosecution history did not include expert testimony regarding supposed background knowledge of a POSA as presented in the petition. Paper 11 at 25. But the Board's reasoning is flawed. If raising the same art and adding an accompanying expert declaration were the standard, § 325(d) would be rendered superfluous in IPR proceedings. Absence of expert testimony during prosecution regarding this feature cannot demonstrate examiner error because rarely, if ever, is the same expert testimony and evidence presented in an IPR petition available in prosecution history.

IV. Conclusion

Because Petitioner Tessell attempts to unfairly profit twice from the inventions claimed in the '818 patent, contrary to the settled expectations of the parties, relying on the prior art already considered by the examiner during prosecution, Patent Owner Nutanix respectfully requests that the Director exercise her discretion to deny institution of inter partes review.

Respectfully submitted,

Dated: June 16, 2025

By: /Joshua L. Goldberg/
Joshua L. Goldberg
Reg. No. 59,369

Case IPR2025-00298
Patent No. 11,860,818

CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing **Patent Owner's Request for Director Review** was served electronically via email on June 16, 2025 in its entirety on the following:

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Dated: June 16, 2025

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EXHIBIT - I

Paper No. 12
Filed: April 28, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TESSELL, INC.,
Petitioner,

v.

NUTANIX, INC.,
Patent Owner.

Case IPR2025-00322
Patent No. 11,010,336

PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL OF INSTITUTION

TABLE OF CONTENTS

I. Introduction....1

II. Petitioner Should Not Be Allowed to Challenge the '336 Patent....2

III. The Parties Settled Expectations Favor Discretionary Denial....4

IV. Conclusion....5

Pursuant to the Director's March 26, 2025 Memorandum Regarding Interim Processes for PTAB Workload Management, Patent Owner files this Request for Discretionary Denial of Institution.

I. Introduction

The story of this IPR begins in an unusual way. Petitioner's founders and employees recognized a problem in the art. They invented a solution. And they marketed the solution. They did all of this while employed by Patent Owner Nutanix.

After profiting a first time from their invention by assigning their rights in the '336 patent to their employer at the time, Nutanix, Balasubrahmanyam Kuchibhotla and Kamaldeep Khanuja left Nutanix and founded Petitioner Tessell, hiring away two other Nutanix employees, Sujit Menon and Maneesh Rawat. Then, these inventors sought to use their new company, Petitioner Tessell, to profit from their invention a second time by using it to compete with Nutanix.

Having been sued for infringement of the '336 patent, the inventors now challenge their own patent in this IPR. 35 U.S.C. § 311(a) may not preclude the inventors from challenging their own patent, but the Director has discretion under 35 U.S.C. § 314(a) to stop them from doing so. The Director should act to "secure the just, speedy, and inexpensive resolution of every proceeding." 37 C.F.R. § 42.1(b). Here, that means avoiding the injustice of the inventors making the invention while employed at Nutanix, assigning the '336 patent to their then-employer, and then

using this proceeding to attack it through their new employer, Petitioner Tessell. For this reason, Nutanix asks the Director to deny institution using her discretion under 35 U.S.C. § 314(a).

II. Petitioner Should Not Be Allowed to Challenge the '336 Patent

The Director should exercise her discretion to deny institution of this proceeding to "secure the just, speedy, and inexpensive resolution of every proceeding." 37 C.F.R. § 42.1(b). Specifically, to secure the just and inexpensive resolution of this proceeding, and to secure the speedy resolution of other proceedings (by not wasting any more time on this proceeding), the Director should exercise her discretion to deny institution based on the inventors' unfair dealing.[1]

[1] The Board and the Federal Circuit have previously held that assignor estoppel does not apply in IPRs based on the language of 35 U.S.C. § 311(a). *Athena Automation Ltd. v. Husky Injection Molding Sys. Ltd.*, IPR2013-00290, Paper 18, at 12-13 (PTAB Oct. 25, 2013) (precedential as to § II.A); *Arista Networks, Inc. v. Cisco Sys., Inc.*, 908 F.3d 792, 804 (Fed. Cir. 2018). But Nutanix is not arguing that assignor estoppel applies based on § 311(a). Nutanix is arguing that the Director should exercise its discretion under § 314(a) in view of the inventors' unfair dealing, something neither *Athena Automation* nor *Arista Networks* addressed.

Discretionary denial is justified on fairness grounds based on the inventors' attempt to profit twice from their invention. *Minerva Surgical, Inc. v. Hologic, Inc.*, 594 U.S. 559, 574-75 (2021). As the Supreme Court has explained, when "a person sells his patent rights, he makes an (at least) implicit representation to the buyer that the patent at issue is valid—that it will actually give the buyer his sought-for monopoly. In later raising an invalidity defense, the assignor disavows that implied warranty. And he does so in service of regaining access to the invention he has just sold." *Id.* at 575 (footnote omitted). That is "unfair dealing—enough to outweigh any loss to the public from leaving an invalidity defense to someone other than the assignor." *Id.*

In this case, the Director should deny institution based on the actions of inventors Balasubrahmanyam Kuchibhotla, Kamaldeep Khanuja, Sujit Menon, and Maneesh Rawat. While working at Nutanix, these inventors assigned their rights to the inventions of the '336 patent to Nutanix. EX1002, 18-20. After profiting from Nutanix by doing so, Kuchibhotla and Khanuja left Nutanix to found Petitioner Tessell. EX2010; EX2011. They subsequently hired Menon and Rawat away from Nutanix. EX2012; EX2013. At Petitioner Tessell, the inventors sought to profit from their invention a second time by using it to compete with Nutanix. But as the Supreme Court stated, they should not be allowed to "profit doubly—by gaining both the price of assigning the patent and the continued right to use the invention it

covers." *Minerva Surgical*, 594 U.S. at 575. They should not be allowed to challenge the validity of the '336 patent. *See id.* The same goes for Petitioner. *Mentor Graphics Corp. v. Quickturn Design Sys., Inc.*, 150 F.3d 1374, 1379 (Fed. Cir. 1998) (treating like assignors parties in privity with the assignors). The Director should exercise her discretion under 35 U.S.C. § 314(a) to deny institution.

III. The Parties Settled Expectations Favor Discretionary Denial

The '336 patent was filed on December 27, 2018 and issued on May 18, 2021. Before the '336 patent, provisioning a database was a labor-intensive manual process that "involve[d] creating and/or associating databases with the database system for management and use." EX1001, 3:32-34. The complex steps required for this creating and associating often took a user days to complete because they involved working with separate entities for several database provisioning and usage steps. *Id.*, 3:34-55. In the words of inventor Kuchibhotla in October 2019 while he was Vice President and General Manager for Nutanix Era and Business Critical Apps, "I still see provisioning is one of the biggest pain point[s] that it takes like three to five weeks to kind of even create a database for some of our big customers and it kind of spans across multiple teams." EX2006, 1:54-2:05; EX2007, 1:54-2:05.

With the invention of the '336 patent, Nutanix changed the game. By allowing users to input a series of parameters to provision and manage a database, the database could be provisioned in a matter of minutes instead of days. EX1001, 4:3-

11. In claim 1, the input parameters include a database engine and a selection of a Service Level Agreement ("SLA") and a protection schedule for protecting a database. *Id.*, 40:2-23. In May 2019, while VP/GM at Nutanix, inventor Kuchibhotla marketed how easily a user can input parameters to provision a database within minutes. EX2008, 2:20-4:46; EX2009, 2:20-4:46.

Despite inventors Kuchibhotla and Khanuja founding Petitioner Tessell in March 2021 and hiring away inventors Menon and Rawat in the following months, none challenged the validity of the '336 patent in 2021. None challenged the validity of the '336 patent in 2022. And none challenged the validity of the '336 patent in 2023.

It was not until the end of 2024, after Nutanix sued the inventors' new company, Petitioner Tessell, for, among other things, patent infringement, that they changed their tune. Now, Petitioner asserts that the same '336 patent that the inventors previously touted and profited from is invalid. Petitioner's challenge, which is directly counter to the well-settled expectations of the parties that the '336 patent is valid, should be discretionarily denied.

IV. Conclusion

Because Petitioner Tessell attempts to unfairly profit twice from the inventions claimed in the '336 patent, contrary to the settled expectations of the parties, Patent

Owner Nutanix respectfully requests the Director exercise her discretion to deny institution of inter partes review.

Respectfully submitted,

Dated: April 28, 2025

By: /Joshua L. Goldberg/
Joshua L. Goldberg
Reg. No. 59,369

CERTIFICATE OF COMPLIANCE

Pursuant to 37 C.F.R. § 42.24(d), I, Joshua L. Goldberg, certify that **Patent Owner's Request for Discretionary Denial of Institution** contains 1,192 words, excluding those portions identified in 37 C.F.R. § 42.24(a), as measured by the word-processing system used to prepare this paper.

Dated: April 28, 2025

/Joshua L. Goldberg/
Joshua L. Goldberg
Reg. No. 59,369

CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing **Patent Owner's Request for Discretionary Denial of Institution** was served electronically via email on April 28, 2025, in its entirety on the following:

Anant K. Saraswat
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Petitioner has consented to service by electronic mail.

Dated: April 28, 2025

/William Esper/
William Esper
Legal Assistant and PTAB Coordinator
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EXHIBIT - J

Paper No. 6
Filed: June 16, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TESSELL, INC.,
Petitioner,

v.

NUTANIX, INC.,
Patent Owner.

Case IPR2025-00732
Patent No. 10,817,157

PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL OF INSTITUTION

TABLE OF CONTENTS

I. Introduction 1

II. Petitioner Should Not Be Allowed to Challenge the '157 Patent 2

III. Sivasubramanian and Zha Were Both Materially Considered During Prosecution, Favoring Discretionary Denial 5

A. Sivasubramanian and Zha Were Considered 5

B. Petitioner Fails to Demonstrate Any Material Error in the Office's Review of Sivasubramanian and Zha 7

IV. The Parties' Settled Expectations Favor Discretionary Denial 10

V. Conclusion 12

Pursuant to the Director's March 26, 2025 Memorandum Regarding Interim Processes for PTAB Workload Management, Patent Owner files this Request for Discretionary Denial of Institution.

I. Introduction

For the same reasons the Director exercised her discretion to deny institution in related proceeding IPR2025-00322, the Director should deny institution here: "[i]t is not an appropriate use of Office resources where the inventors applied for and were issued a patent, but, as is the case here, now advocate for its unpatentability." *Tessell, Inc. v. Nutanix, Inc.*, IPR2025-00322, Paper 14 at 2 (P.T.A.B. Jun. 12, 2025) (granting Patent Owner's request for discretionary denial and denying institution of *inter partes* review).

Just like that case, Petitioner Tessell's founders and employees recognized a problem in the art, invented a solution, and marketed the solution. They did so while employed by Patent Owner Nutanix. After profiting from their invention by assigning their rights in the '157 patent to their employer at the time, Nutanix, Balasubrahmanyam Kuchibhotla and Bakul Banthia left Nutanix and founded Petitioner Tessell. These inventors then sought to use their new company, Petitioner Tessell, to profit from their invention a second time by using it to compete with Nutanix.

Having been sued for infringement of the '157 patent, the inventors now challenge their own patent in this IPR. As held in IPR2025-00322, the Director has discretion under 35 U.S.C. § 314(a) to preclude the inventors from challenging their own patent. Based on equity, and to "secure the just, speedy, and inexpensive resolution of every proceeding," the Director should prevent the injustice of the inventors using this proceeding to attack a patent they invented and assigned to Patent Owner Nutanix through their new employer, Petitioner Tessell.

II. Petitioner Should Not Be Allowed to Challenge the '157 Patent

The Director should exercise her discretion to deny institution of this proceeding to "secure the just, speedy, and inexpensive resolution of every proceeding." 37 C.F.R. § 42.1(b). To secure the just and inexpensive resolution of this proceeding, and to secure the speedy resolution of other proceedings (by not wasting any more time on this proceeding), the Director should exercise her discretion to deny institution based on the inventors' unfair dealing.[1]

[1] The Board and the Federal Circuit have previously held that assignor estoppel does not apply in IPRs based on the language of 35 U.S.C. § 311(a). *Athena Automation Ltd. v. Husky Injection Molding Sys. Ltd.*, IPR2013-00290, Paper 18, at 12-13 (PTAB Oct. 25, 2013) (precedential as to § II.A); *Arista Networks, Inc. v. Cisco Sys.,*

Discretionary denial is justified on fairness grounds based on the inventors' attempt to profit twice from their invention. *Minerva Surgical, Inc. v. Hologic, Inc.*, 594 U.S. 559, 574-75 (2021). As the Supreme Court has held, when "a person sells his patent rights, he makes an (at least) implicit representation to the buyer that the patent at issue is valid—that it will actually give the buyer his sought-for monopoly. In later raising an invalidity defense, the assignor disavows that implied warranty. And he does so in service of regaining access to the invention he has just sold." *Id.* at 575 (footnote omitted). That is "unfair dealing—enough to outweigh any loss to the public from leaving an invalidity defense to someone other than the assignor." *Id.*

In this case, the Director should deny institution based on the actions of inventors Balasubrahmanyam Kuchibhotla and Bakul Banthia. While working at Nutanix, these inventors assigned their rights to the inventions of the '157 patent to

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Inc., 908 F.3d 792, 804 (Fed. Cir. 2018). But Nutanix is not arguing that assignor estoppel applies based on § 311(a). Nutanix is arguing that the Director should exercise her discretion under § 314(a) in view of the inventors' unfair dealing, something the Director has endorsed as available under her discretion. *See Tessell*, IPR2025-00322, Paper 14, at 2 ("[T]he office may consider unfair dealings as a factor when determining whether to exercise discretion to deny institution under 35 U.S.C. § 314(a).")

Nutanix. EX1002, 124-26. This assignment was "[f]or good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged" and was executed on November 16, 2018—about one month before the application leading to the '157 patent was filed. *Id.* The inventors thus conceded profiting from assignment of the '157 patent. And in the assignment, the inventors represented and warranted that they would not execute any document or instrument in conflict with their assignment of the '157 patent to Nutanix. *Id.*

After assigning the '157 patent to Nutanix, Kuchibhotla and Banthia left Nutanix to found Petitioner Tessell. EX2010; EX2011. At Tessell, the inventors sought to profit from their invention a second time by using it to compete with Nutanix. They then challenged the '157 patent through this *inter partes* review, contravening their representations and warranties in their assignment agreement. As the Supreme Court has held, inventors should not be allowed to "profit doubly—by gaining both the price of assigning the patent and the continued right to use the invention it covers." *Minerva Surgical*, 594 U.S. at 575. This applies equally to Petitioner Tessell. *Mentor Graphics Corp. v. Quickturn Design Sys., Inc.*, 150 F.3d 1374, 1379 (Fed. Cir. 1998). As the Director has previously found, this unfair dealing "is not an appropriate use of Office resources." *Tessell*, IPR2025-00322, Paper 14, at 2. The Director should exercise her discretion under 35 U.S.C. § 314(a) to deny institution.

III. Sivasubramanian and Zha Were Both Materially Considered During Prosecution, Favoring Discretionary Denial

The Board should deny institution under 35 U.S.C. § 325(d) because Petitioner presents the same art previously considered by the Office and fails to demonstrate that the Office erred in a manner material to the patentability. *See Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6, at 8-9 (PTAB Feb. 13, 2020) (precedential); *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8, at 17-18 (PTAB Dec. 15, 2017) (precedential as to § III.C.5, first paragraph).

A. Sivasubramanian and Zha Were Considered

During prosecution of the '157 patent, the Examiner's search identified U.S. Pub. No. 2014/0229698 (EX2004), which is a continuation of the application that issued as Sivasubramanian that has the same disclosure. EX1002, 288-91; EX1005. In the same search, the Examiner uncovered U.S. Pub. No. 2011/0093435 (EX2005), which is the publication of Zha. EX1002, 288-91.

Petitioner concedes that "Zha and a descendant of Sivasubramanian were of record" during prosecution. Pet. 88-89. These references are the same and substantially the same as prior art previously presented to the Office. For example, under *Becton, Dickinson* factor (a), Sivasubramanian and Zha have the same disclosures as the Zha reference and descendant of Sivasubramanian cited to the Office during prosecution

of the '157 patent. *See Becton, Dickinson*, IPR2017-01586, Paper 8 at 18-20. There are thus no material differences between these references. *Id.* Similarly, under *Becton, Dickinson* factor (b), Sivasubramanian and Zha are not merely cumulative of the references considered during prosecution, they are substantively identical. *Id.*, 21-23. Because substantively identical art was presented to the Office during prosecution of the '157 patent, *Becton, Dickinson* factor (d) is irrelevant to the analysis. *See id.*, 23-24; *Nokia of Am. Corp. v. Soto*, IPR2023-00680, Paper 18, at 4 (PTAB Mar. 28, 2024) (Director Review) ("[T]he first part of the *Advanced Bionics* framework is satisfied if either substantially the same prior art ***or*** substantially the same arguments were previously presented to the Office . . . ."). The Examiner's acknowledgement of these references is alone sufficient under *Advanced Bionics*. *See Ecto World, LLC v. RAI Strategic Holdings, Inc.*, IPR2024-01280, Paper 13 at 4 (PTAB May 19, 2025) (Precedential).

Petitioner erroneously argues that prong one of *Advanced Bionics* "weighs against discretionary denial" because "the examiner did not articulate any consideration" of Sivasubramanian and Zha in the record. Pet. 89. Petitioner's argument is flawed because Petitioner relies on a notice of proposed rulemaking to present the previous Patent Office Director's intent for discretionary denial determinations. *See id.* Notices of proposed rulemaking, however, are not law and are not binding. Because no such rule has been promulgated, Petitioner's applies the

incorrect standard. *See Advanced Bionics*, IPR2019-01469, Paper 6, at 7-8 ("Previously presented art includes art made of record by the Examiner, and art provided to the Office by an applicant, such as on an Information Disclosure Statement (IDS), in the prosecution history of the challenged patent."); *Ecto World*, IPR2024-01280, Paper 13 at 4. Under the correct standard, and as Petitioner concedes, Sivasubramanian and Zha were both before the Office during prosecution of the '157 patent, and prong one of the *Advanced Bionics* framework is satisfied.

B. Petitioner Fails to Demonstrate Any Material Error in the Office's Review of Sivasubramanian and Zha

"If, after review of factors (a), (b), and (d), it is determined that the same or substantially the same art or arguments previously were presented to the Office, then [*Becton, Dickinson*] factors (c), (e), and (f) relate to whether the petitioner has demonstrated a material error by the Office." *Advanced Bionics*, IPR2019-01469, Paper 6, at 10. *Becton, Dickinson* describes these factors as follows: "(c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection"; "(e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and (f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments." IPR2017-01586, Paper 8, at 17-18.

With respect to *Becton, Dickinson* factor (c), Petitioner asserts that the mere fact that the Examiner did not use Sivasubramanian or Zha in a rejection weighs against denial. Petitioner's assertion, however, overlooks that the descendant of Sivasubramanian, U.S. Pub. No. 2014/0229698, was first cited by the Examiner in a Notice of References Cited, during prosecution of the '157 patent. EX1002, 289. In the same Notice of References Cited, the Examiner cited Zha's publication, U.S. Pub. No. 2011/0093435. *Id.*, 288. Following this search, the Examiner issued an examiner's amendment and allowed the claims, finding that "the prior art fails to disclose or suggest the combination of limitations recited in the claims 1, 23, and 29" (*id.*, 276-87), which include creating a source database upon receiving, among other things, selection of an SLA through a GUI. Thus, the Patent Office introduced and substantively considered the teachings of Sivasubramanian and Zha. *Becton, Dickinson* factor (c) favors denial.

With respect to *Becton, Dickinson* factor (e), Petitioner fails to point out specifically how the Examiner erred in evaluating Sivasubramanian and Zha. *See Advanced Bionics*, IPR2019-01469, Paper 6, at 21 ("Petitioner must demonstrate that the Examiner erred in the evaluation of the prior art, for example, by showing that the Examiner misapprehended or overlooked specific teachings in the relevant prior art such that the error by the Office was material to the patentability of the challenged claims."); *see id.* at 8-9 n.9. Petitioner simply disagrees with the Examiner's

consideration of Sivasubramanian and Zha, an "error" that the Board has repeatedly rejected. *See Siemens Mobility, Inc. v. Metrom Rail, LLC*, IPR2024-00947, Paper 12, at 17-19 (PTAB Nov. 19, 2024); *Fitesa Simpsonville, Inc. v. Procter & Gamble Co.*, IPR2023-01450, Paper 11, at 20 (PTAB Mar. 20, 2024) ("Petitioner merely disagrees with the Examiner's findings and conclusions[,] which is insufficient to establish material error by the Office."). To satisfy its burden under *Becton, Dickinson* factor (e), it is not sufficient for Petitioner to merely point to the Petition's mapping of claim limitations to the applied references. *See Advanced Bionics*, IPR2019-01469, Paper 6, at 9 ("If reasonable minds can disagree regarding the purported treatment of the art or arguments, it cannot be said that the Office erred in a manner material to patentability. At bottom, this framework reflects a commitment to defer to previous Office evaluations of the evidence of record unless material error is shown."); *Ecto World*, IPR2024-01280, Paper 13 at 5-6 ("[A] petitioner must explain . . . how the Examiner erred in overlooking the prior art. . . . Here, Petitioner's generalized statements as to the strength of its Petition fail to identify sufficiently a material error."). *Becton, Dickinson* factor (e) thus favors denial.

With respect to *Becton, Dickinson* factor (f), Petitioner asserts only that the Examiner was not presented with "the expert testimony and evidence of a POSA's background knowledge presented in this Petition regarding why the claims are obvious." Pet. 90. But if raising the same art and adding an accompanying expert

declaration were the standard, § 325(d) would be rendered superfluous in IPR proceedings. Absence of expert testimony for this feature during prosecution cannot demonstrate examiner error because rarely, if ever, is the same expert testimony and evidence presented in an IPR petition available in prosecution history. Moreover, this conclusory assertion fails to explain what facts or evidence the Examiner supposedly overlooked and fails to explain how they demonstrate material error by the Office. *See Ecto World*, IPR2024-01280, Paper 13 at 5-6. As explained above, nether Sivasubramanian nor Zha discloses the limitation cited in the Examiner's Reasons for Allowance. Petitioner's conclusory analysis fails to demonstrate error in that determination. *Becton, Dickinson* factor (f) thus favors denial.

In sum, the Director should exercise her discretion under 35 U.S.C. § 325(d) to deny institution.

IV. The Parties' Settled Expectations Favor Discretionary Denial

The '157 patent was filed on December 20, 2018, and issued on October 27, 2020. Before the '157 patent, provisioning a database was a labor-intensive manual process that "involve[d] creating and/or associating databases with the database system for management and use." EX1001, 3:31-33. The complex steps required for this creating and associating often took a user days to complete because they involved working with separate entities for several database provisioning and usage steps. *Id.*, 3:33-54. In the words of inventor Kuchibhotla in October 2019 while he was Vice

President and General Manager for Nutanix Era and Business Critical Apps: "I still see provisioning is one of the biggest pain point[s] that it takes like three to five weeks to kind of even create a database for some of our big customers and it kind of spans across multiple teams." EX2006, 1:54-2:05; EX2007, 1:54-2:05.

With the invention of the '157 patent, Nutanix changed the game. By providing an innovative GUI to provision and manage a database, the database could be provisioned in a matter of minutes instead of days. EX1001, 4:2-10. In claim 1, the input parameters include a database engine and a selection of a Service Level Agreement ("SLA"). *Id.*, 40:10-12, 40:22-23. In May 2019, while VP/GM at Nutanix, inventor Kuchibhotla marketed how easily a user can input parameters to provision a database within minutes. EX2008, 2:20-4:46; EX2009, 2:20-4:46.

Inventors Kuchibhotla and Banthia founded Petitioner Tessell. Petitioner therefore knew of the application that matured into the '157 patent at least as early as its filing date, December 20, 2018. Despite Petitioner knowing of the inventions as early as 2018 through its inventors, Petitioner did not challenge the '157 patent for over six years. Settled expectations of the parties—caused by Petitioner's representations and warranties to Nutanix and the Patent Office via their assignments—and the passage of time between Petitioner's knowledge of the patent application for the '157 patent and the filing of the IPR petition, counsel against institution.

V. Conclusion

Because Petitioner Tessell attempts to unfairly profit twice from the inventions claimed in the '157 patent, contrary to the settled expectations of the parties, Patent Owner Nutanix respectfully requests the Director exercise her discretion to deny institution of inter partes review.

Respectfully submitted,

Dated: June 16, 2025

By: /Joshua L. Goldberg/
Joshua L. Goldberg
Reg. No. 59,369

CERTIFICATE OF COMPLIANCE

Pursuant to 37 C.F.R. § 42.24(d), I, Joshua L. Goldberg, certify that **Patent Owner's Request for Discretionary Denial** contains 2,600 words, as measured by the word-processing system used to prepare this paper.

Dated: June 16, 2025

/Joshua L. Goldberg/
Joshua L. Goldberg
Reg. No. 59,369

CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing **Patent Owner's Request for Discretionary Denial** was served electronically via email on June 16, 2025, in their entirety on the following:

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Petitioner has consented to service by electronic mail.

Dated: June 16, 2025

/Lisa C. Hines/
Lisa C. Hines
Case Manager
FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER, LLP

EXHIBIT - K

Paper No. 6
Filed: June 16, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TESSELL, INC.,
Petitioner,

v.

NUTANIX, INC.,
Patent Owner.

Case IPR2025-00733
Patent No. 11,640,340

PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL OF INSTITUTION

TABLE OF CONTENTS

I. Introduction 1

II. Petitioner Should Not Be Allowed to Challenge the '340 Patent 2

III. The Parties' Settled Expectations Favor Discretionary Denial 5

IV. Conclusion 6

Pursuant to the Director's March 26, 2025 Memorandum Regarding Interim Processes for PTAB Workload Management, Patent Owner files this Request for Discretionary Denial of Institution.

I. Introduction

For the same reasons the Director exercised her discretion to deny institution in related proceeding IPR2025-00322, the Director should deny institution here: "[i]t is not an appropriate use of Office resources where the inventors applied for and were issued a patent, but, as is the case here, now advocate for its unpatentability." *Tessell, Inc. v. Nutanix, Inc.*, IPR2025-00322, Paper 14 at 2 (P.T.A.B. Jun. 12, 2025) (granting Patent Owner's request for discretionary denial and denying institution of *inter partes* review).

Just like that case, Petitioner Tessell's founders and employees recognized a problem in the art, invented a solution, and marketed the solution. They did so while employed by Patent Owner Nutanix. After profiting from their invention by assigning their rights in the '340 patent to their employer at the time, Nutanix, Kamaldeep Khanuja and Bakul Banthia left Nutanix and founded Petitioner Tessell, hiring away another Nutanix employee, Sagar Sontakke. These inventors then sought to use their new company, Petitioner Tessell, to profit from their invention a second time by using it to compete with Nutanix.

Having been sued for infringement of the '340 patent, the inventors now challenge their own patent in this IPR. As held in IPR2025-00322, the Director has discretion under 35 U.S.C. § 314(a) to preclude the inventors from challenging their own patent. Based on equity, and to "secure the just, speedy, and inexpensive resolution of every proceeding," the Director should prevent the injustice of the inventors using this proceeding to attack a patent they invented and assigned to Patent Owner Nutanix through their new employer, Petitioner Tessell.

II. Petitioner Should Not Be Allowed to Challenge the '340 Patent

The Director should exercise her discretion to deny institution of this proceeding to "secure the just, speedy, and inexpensive resolution of every proceeding." 37 C.F.R. § 42.1(b). To secure the just and inexpensive resolution of this proceeding, and to secure the speedy resolution of other proceedings (by not wasting any more time on this proceeding), the Director should exercise her discretion to deny institution based on the inventors' unfair dealing.[1]

[1] The Board and the Federal Circuit have previously held that assignor estoppel does not apply in IPRs based on the language of 35 U.S.C. § 311(a). *Athena Automation Ltd. v. Husky Injection Molding Sys. Ltd.*, IPR2013-00290, Paper 18, at 12-13 (PTAB Oct. 25, 2013) (precedential as to § II.A); *Arista Networks, Inc. v. Cisco Sys.,*

Discretionary denial is justified on fairness grounds based on the inventors' attempt to profit twice from their invention. *Minerva Surgical, Inc. v. Hologic, Inc.*, 594 U.S. 559, 574-75 (2021). As the Supreme Court has held, when "a person sells his patent rights, he makes an (at least) implicit representation to the buyer that the patent at issue is valid—that it will actually give the buyer his sought-for monopoly. In later raising an invalidity defense, the assignor disavows that implied warranty. And he does so in service of regaining access to the invention he has just sold." *Id.* at 575 (footnote omitted). That is "unfair dealing—enough to outweigh any loss to the public from leaving an invalidity defense to someone other than the assignor." *Id.*

In this case, the Director should deny institution based on the actions of inventors Sagar Sontakke, Kamaldeep Khanuja, and Bakul Banthia. While working at Nutanix, these inventors assigned their rights to the inventions of the '340 patent to

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Inc., 908 F.3d 792, 804 (Fed. Cir. 2018). But Nutanix is not arguing that assignor estoppel applies based on § 311(a). Nutanix is arguing that the Director should exercise her discretion under § 314(a) in view of the inventors' unfair dealing, something the Director has endorsed as available under her discretion. *See Tessell*, IPR2025-00322, Paper 14, at 2 ("[T]he office may consider unfair dealings as a factor when determining whether to exercise discretion to deny institution under 35 U.S.C. § 314(a).")

Nutanix. EX1002, 60-62; EX2001, 3-5. This assignment was "[f]or good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged" and the inventors executed it on February 22 and 23, 2021—around the time the application leading to the '340 patent was filed. EX2001, 3-5. The inventors thus conceded profiting from assignment of the '340 patent. And in the assignment, the inventors represented and warranted that they would not execute any document or instrument in conflict with their assignment of the '340 patent to Nutanix. *Id.*

After assigning the '340 patent to Nutanix, Kamaldeep Khanuja and Bakul Banthia left Nutanix to found Petitioner Tessell. EX2010; EX2011. They subsequently hired Sontakke away from Nutanix. EX2012. At Tessell, the inventors sought to profit from their invention a second time by using it to compete with Nutanix. They then challenged the '340 patent through this *inter partes* review, contravening their representations and warranties in their assignment agreement. As the Supreme Court has held, inventors should not be allowed to "profit doubly—by gaining both the price of assigning the patent and the continued right to use the invention it covers." *Minerva Surgical*, 594 U.S. at 575. This applies equally to Petitioner Tessell. *Mentor Graphics Corp. v. Quickturn Design Sys., Inc.*, 150 F.3d 1374, 1379 (Fed. Cir. 1998). As the Director has previously found, this unfair dealing "is not an appropriate use of Office resources." *Tessell*, IPR2025-00322, Paper 14, at 2. The Director should exercise her discretion under 35 U.S.C. § 314(a) to deny institution.

III. The Parties' Settled Expectations Favor Discretionary Denial

The '340 patent was filed on February 23, 2021 and issued on May 2, 2023. Before the '340 patent, backing up a highly available database involved a trade-off between wasteful memory use and manual monitoring of database nodes. EX1001, 6:17-34. Highly available databases are those in which redundant copies of a source database are maintained across nodes to avoid a single point of failure associated with a single-instance database—unlike a database stored on a single node, if one of many nodes becomes unavailable, the highly available database can still operate on another node. *Id.*, 5:34-61. Traditionally, to back up such a highly available database, snapshots and transactional logs needed to be created from each copy of the source database. *Id.*, 5:65-6:3. But creating backups for redundant copies was wasteful because it required storage of the redundant backups without any added benefit. *Id.*, 6:4-9. The alternative was to back up only a single copy of the source database, but doing so re-introduced the single-point-of-failure problem of a single-instance database. *Id.*, 6:9-14. So, a user had to manually monitor the redundant nodes and select an available node for backups. *Id.*, 6:18-29. There was thus a tradeoff: either storage space was wasted or user time was wasted. *Id.*, 6:17-34.

With the invention of the '340 patent, Nutanix eliminated the tradeoff. The '340 patent introduced a mechanism that designates one node as an active node from which to take backups and automatically selects another active node when the first active

node becomes unavailable. *Id.*, 6:46-55. By selecting a single active node and automatically switching active nodes in the case of node unavailability, the '340 patent removes the tradeoff in wasted memory or wasted user time that was previously associated with backing up a highly available database. *Id.*, 6:57-59.

Inventors Khanuja and Banthia founded Petitioner Tessell, while inventor Sontakke works for Petitioner Tessell. Petitioner therefore knew of the application that matured into the '340 patent at least as early as its filing date, February 23, 2021. Despite Petitioner knowing of the inventions as early as 2021 through its inventors, Petitioner did not challenge the '340 patent for over four years. Settled expectations of the parties—caused by Petitioner's representations and warranties to Nutanix and the Patent Office via their assignments—and the passage of time between Petitioner's knowledge of the patent application for the '340 patent and the filing of the IPR petition, counsel against institution.

IV. Conclusion

Because Petitioner Tessell attempts to unfairly profit twice from the inventions claimed in the '340 patent, contrary to the settled expectations of the parties, Patent Owner Nutanix respectfully requests the Director exercise her discretion to deny institution of inter partes review.

Respectfully submitted,

Dated: June 16, 2025

By: /Joshua L. Goldberg/
Joshua L. Goldberg
Reg. No. 59,369

CERTIFICATE OF COMPLIANCE

Pursuant to 37 C.F.R. § 42.24(d), I, Joshua L. Goldberg, certify that **Patent Owner's Request for Discretionary Denial** contains 1,391 words, excluding those portions identified in 37 C.F.R. § 42.24(a), as measured by the word-processing system used to prepare this paper.

Dated: June 16, 2025

/Joshua L. Goldberg/
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Reg. No. 59,369

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Petitioner has consented to service by electronic mail.

Dated: June 16, 2025

/Lisa C. Hines/
Lisa C. Hines
Case Manager
FINNEGAN, HENDERSON, FARABOW, GARRETT & DUNNER, LLP

EXHIBIT - L

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TESSELL, INC.,
Petitioner,

v.

NUTANIX, INC.,
Patent Owner.

Case No. IPR2025-00298
Patent No. 11,860,818

PETITIONER'S REQUEST FOR REHEARING OF DIRECTOR REVIEW DECISION

TABLE OF AUTHORITIES

CASES

Arista Networks, Inc. v. Cisco Sys., Inc.,
908 F.3d 792 (Fed. Cir. 2018) 1, 2

Flight Attendants v. Zipes,
491 U.S. 754 (1989) 3

Kirkendall v. Dep't of Army,
479 F.3d 830 (Fed. Cir. 2007) 3

Kirtsaeng v. John Wiley & Sons, Inc.,
579 U.S. 197 (2016) 3

STATUTES

35 U.S.C. § 2(b)(2) 3

35 U.S.C. § 311(a) 1

35 U.S.C. § 314(a) 1

I. INTRODUCTION

Petitioner respectfully requests that the Director reverse the Order Granting Director Review (Paper 17) because the Order's decision to vacate the Decision Granting Institution and discretionarily deny institution was an abuse of discretion exceeding the Director's authority under 35 U.S.C. §314(a). While the statute grants the Director certain discretion over institution decisions, discretionary authority cannot be invoked as a license to act contrary to binding law. The Director's decision to deny institution of this *inter partes* review based on assignor estoppel under a different name (Paper 17 at 2-3) contradicts the IPR statute and binding Federal Circuit law disallowing the application of assignor estoppel in *inter partes* review.

II. ARGUMENT

The Federal Circuit has made very clear: assignor estoppel cannot be applied to prevent an *inter partes* review. *See Arista Networks, Inc. v. Cisco Sys., Inc.*, 908 F.3d 792, 804 (Fed. Cir. 2018). The statute establishing *inter partes* review—35 U.S.C. §311(a)—is "unambiguous" and "allows any person 'who is not the owner of a patent' to file an IPR." *Arista*, 908 F.3d at 803. As the Federal Circuit explained, this is "an intentional congressional choice" that "is consistent with the overarching goals of the IPR process that extend beyond the particular parties in a given patent dispute" and should not be interfered with by courts or agencies

outside of Congress. *Id.* at 804. The statute enacted by Congress "***unambiguously dictates*** that assignor estoppel has ***no place*** in IPR proceedings." *Id.* (emphasis added).

Recognizing that it had no proper basis under the law to prevent *inter partes* review of its invalid patent, Patent Owner Nutanix alleged that it was acknowledging that "assignor estoppel does not apply in *inter partes* reviews under 35 U.S.C. § 311(a)," but was instead asking for discretionary denial based on what Nutanix characterized as "unfair dealing" by the inventors. Paper 13 at 3-4. But this is a distinction without a difference. What Nutanix alleges occurred here as a basis for this new "unfair dealing" category of discretionary denial is indistinguishable from the typical factual allegations under which the assignor estoppel "doctrine often arises": "where an employee invents something during his or her tenure with a company, assigns the rights to that invention to his or her employer, then leaves the company to join or found a competing company." *Arista*, 908 F.3d at 801. In its Decision Granting Institution, the merits panel rightly rejected Nutanix's attempt to disguise its assignor estoppel argument as an "unfair dealing" argument, correctly holding that Nutanix "may not apply the principle of assignor estoppel to *inter partes* review by calling the principle by a different name." Paper 11 at 22.

The merits panel was correct, and the Director's contrary decision in the Order Granting Director Review should be reversed. The decision to discretionarily deny institution in this case effectively acts to circumvent the statute, Congress's intent, and the Federal Circuit's case law by applying assignor estoppel under a different name. But the Director's discretion, while broad in some respects, is nonetheless cabined by the law. *See*, *e.g.*, *Kirtsaeng v. John Wiley & Sons, Inc.*, 579 U.S. 197, 203 (2016) ("in a system of laws discretion is rarely without limits") (quoting *Flight Attendants v. Zipes*, 491 U.S. 754, 758 (1989)); *Kirkendall v. Dep't of Army*, 479 F.3d 830, 844 (Fed. Cir. 2007) (even when a statute affords some "discretion," an agency "must administer the law as Congress wrote it"); 35 U.S.C. §2(b)(2) (Patent Office "may establish regulations, not inconsistent with law"). The Director does not have discretion to effectively apply assignor estoppel to deny institution and thus deprive this Petitioner of the right, granted by Congress, to participate in *inter partes* review. Where "the statute clearly evinces Congress' intent," an agency "cannot use [its afforded] discretion to override the congressionally mandated right" that the statute sets forth. *Kirkendall*, 479 F.3d at 844.

III. CONCLUSION

Accordingly, Petitioner respectfully requests that the Director reverse the Order Granting Director Review, reinstate the Decision Granting Institution, and refer this IPR back to the merits panel for trial.

Respectfully submitted,

Date: September 22, 2025

/Anant K. Saraswat/
Anant K. Saraswat, Reg. No. 76,050
WOLF, GREENFIELD & SACKS, P.C

CERTIFICATE OF SERVICE UNDER 37 C.F.R. § 42.6 (e)(4)

I certify that on September 22, 2025, a copy of the foregoing document, including any exhibits filed therewith, is being served via electronic mail, as previously consented to by Patent Owner, upon the following:

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Joseph M. Myles	joseph.myles@finnegan.com
	Nutanix-PTAB@finnegan.com

Date: September 22, 2025

/MacAulay Rush/
MacAulay Rush
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WOLF, GREENFIELD & SACKS, P.C.

EXHIBIT - M

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TESSELL, INC.
Petitioner,

v.

NUTANIX, INC.
Patent Owner.

Case No. IPR2025-00322
Patent No. 11,010,336

PETITIONER'S REQUEST FOR DIRECTOR REVIEW OF DECISION DENYING INSTITUTION

TABLE OF AUTHORITIES

CASES

Arista Networks, Inc. v. Cisco Sys., Inc.,
908 F.3d 792 (Fed. Cir. 2018) 1, 2

Flight Attendants v. Zipes,
491 U.S. 754 (1989) 3

Kirkendall v. Dep't of Army,
479 F.3d 830 (Fed. Cir. 2007) 3

Kirtsaeng v. John Wiley & Sons, Inc.,
579 U.S. 197 (2016) 3

Tessel, Inc. v. Nutanix, Inc.,
IPR2025-00298, Paper 11 (PTAB Jun. 2, 2025) 2

STATUTES

35 U.S.C. § 2(b)(2) 3

35 U.S.C. § 311(a) 1

35 U.S.C. § 314(a) 1

I. INTRODUCTION

Petitioner respectfully requests that the Director reverse the decision discretionarily denying institution (Paper 14) because the decision was an abuse of discretion exceeding the Director's authority under 35 U.S.C. §314(a). While the statute grants the Director certain discretion over institution decisions, discretionary authority cannot be invoked as a license to act contrary to binding law. The Director's decision to deny institution of this *inter partes* review based on so-called "unfair dealings" (Paper 14 at 2-3) contradicts the IPR statute and binding Federal Circuit law disallowing the application of assignor estoppel in *inter partes* review.

II. ARGUMENT

The Federal Circuit has made very clear: assignor estoppel cannot be applied to prevent an *inter partes* review. *See Arista Networks, Inc. v. Cisco Sys., Inc.*, 908 F.3d 792, 804 (Fed. Cir. 2018). The statute establishing *inter partes* review—35 U.S.C. §311(a)—is "unambiguous" and "allows any person 'who is not the owner of a patent' to file an IPR." *Arista*, 908 F.3d at 803. As the Federal Circuit explained, this is "an intentional congressional choice" that "is consistent with the overarching goals of the IPR process that extend beyond the particular parties in a given patent dispute" and should not be interfered with by courts or agencies outside of Congress. *Id.* at 804. The statute enacted by Congress "***unambiguously***

dictates that assignor estoppel has ***no place*** in IPR proceedings." *Id.* (emphasis added).

Recognizing that it had no proper basis under the law to prevent *inter partes* review of its invalid patent, Patent Owner Nutanix alleged that it was "not arguing that assignor estoppel applies based on [35 U.S.C.] § 311(a)," but was instead asking for discretionary denial based on what Nutanix characterized as "unfair dealing" by the inventors. Paper 12 at 2 n.1. But this is a distinction without a difference. What Nutanix alleges occurred here as a basis for this new "unfair dealing" category of discretionary denial is indistinguishable from the typical factual allegations under which the assignor estoppel "doctrine often arises": "where an employee invents something during his or her tenure with a company, assigns the rights to that invention to his or her employer, then leaves the company to join or found a competing company." *Arista*, 908 F.3d at 801. Nutanix attempted to disguise its assignor estoppel argument as an "unfair dealing" argument in the same way in IPR2025-00298 (Paper 6 at 17 n.2 (Mar. 19, 2025)) and the merits panel rightly rejected it, holding that Nutanix "may not apply the principle of assignor estoppel to *inter partes* review by calling the principle by a different name." IPR2025-00298, Paper 11 at 22 (Jun. 2, 2025).

The merits panel in IPR2025-00298 was correct, and the Director's contrary decision here should be reversed. The decision to discretionarily deny institution

in this case effectively acts to circumvent the statute, Congress's intent, and the Federal Circuit's case law by applying assignor estoppel under a different name. But the Director's discretion, while broad in some respects, is nonetheless cabined by the law. *See, e.g.*, *Kirtsaeng v. John Wiley & Sons, Inc.*, 579 U.S. 197, 203 (2016) ("in a system of laws discretion is rarely without limits") (quoting *Flight Attendants v. Zipes*, 491 U.S. 754, 758 (1989)); *Kirkendall v. Dep't of Army*, 479 F.3d 830, 844 (Fed. Cir. 2007) (even when a statute affords some "discretion," an agency "must administer the law as Congress wrote it"); 35 U.S.C. §2(b)(2) (Patent Office "may establish regulations, not inconsistent with law"). The Director does not have discretion to effectively apply assignor estoppel to deny institution and thus deprive this Petitioner of the right, granted by Congress, to participate in *inter partes* review. Where "the statute clearly evinces Congress' intent," an agency "cannot use [its afforded] discretion to override the congressionally mandated right" that the statute sets forth. *Kirkendall*, 479 F.3d at 844.

III. CONCLUSION

Accordingly, Petitioner respectfully requests that the Director reverse the discretionary denial decision and refer the Petition to the merits panel.

Respectfully submitted,

Date: July 14, 2025

/Anant K. Saraswat/
Anant K. Saraswat, Reg. No. 76,050
WOLF, GREENFIELD & SACKS, P.C

CERTIFICATE OF SERVICE UNDER 37 C.F.R. § 42.6 (e)(4)

I certify that on July 14, 2025, a copy of the foregoing document, including any exhibits filed therewith, is being served via electronic mail, as previously consented to by Patent Owner, upon the following:

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Alexander M. Boyer	alexander.boyer@finnegan.com
Christina Ji-Hye Yang	christina.yang@finnegan.com
Joseph M. Myles	joseph.myles@finnegan.com
	Nutanix-PTAB@finnegan.com

Date: July 14, 2025

/MacAulay Rush/
MacAulay Rush
Paralegal
WOLF, GREENFIELD & SACKS, P.C.

EXHIBIT - N

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TESSELL, INC.,
Petitioner,

v.

NUTANIX, INC.,
Patent Owner.

Case No. IPR2025-00732
Patent No. 10,817,157

PETITIONER'S REQUEST FOR DIRECTOR REVIEW OF DECISION DENYING INSTITUTION

TABLE OF AUTHORITIES

CASES

Arista Networks, Inc. v. Cisco Sys., Inc.,
908 F.3d 792 (Fed. Cir. 2018) 1, 2

Flight Attendants v. Zipes,
491 U.S. 754 (1989) 3

Kirkendall v. Dep't of Army,
479 F.3d 830 (Fed. Cir. 2007) 3

Kirtsaeng v. John Wiley & Sons, Inc.,
579 U.S. 197 (2016) 3

Tessel, Inc. v. Nutanix, Inc.,
IPR2025-00298, Paper 11 at 22 (Jun. 2, 2025) 2

STATUTES

35 U.S.C. § 2(b)(2) 3

35 U.S.C. § 311(a) 1

35 U.S.C. § 314(a) 1

I. INTRODUCTION

Petitioner respectfully requests that the Director reverse the decision discretionarily denying institution (Paper 9) because the decision was an abuse of discretion exceeding the Director's authority under 35 U.S.C. §314(a). While the statute grants the Director certain discretion over institution decisions, discretionary authority cannot be invoked as a license to act contrary to binding law. The Director's decision to deny institution of this *inter partes* review based on so-called "unfair dealings" (IPR2025-00322, Paper 14 at 2-3) (incorporated in IPR2025-00732, Paper 9 at 2) contradicts the IPR statute and binding Federal Circuit law disallowing the application of assignor estoppel in *inter partes* review.

II. ARGUMENT

The Federal Circuit has made very clear: assignor estoppel cannot be applied to prevent an *inter partes* review. *See Arista Networks, Inc. v. Cisco Sys., Inc.*, 908 F.3d 792, 804 (Fed. Cir. 2018). The statute establishing *inter partes* review—35 U.S.C. §311(a)—is "unambiguous" and "allows any person 'who is not the owner of a patent' to file an IPR." *Arista*, 908 F.3d at 803. As the Federal Circuit explained, this is "an intentional congressional choice" that "is consistent with the overarching goals of the IPR process that extend beyond the particular parties in a given patent dispute" and should not be interfered with by courts or agencies outside of Congress. *Id.* at 804. The statute enacted by Congress "***unambiguously***

dictates that assignor estoppel has ***no place*** in IPR proceedings." *Id*. (emphasis added).

Recognizing that it had no proper basis under the law to prevent *inter partes* review of its invalid patent, Patent Owner Nutanix alleged that it was "not arguing that assignor estoppel applies based on [35 U.S.C.] § 311(a)," but was instead asking for discretionary denial based on what Nutanix characterized as "unfair dealing" by the inventors. Paper 6 at 3 n.1. But this is a distinction without a difference. What Nutanix alleges occurred here as a basis for this new "unfair dealing" category of discretionary denial is indistinguishable from the typical factual allegations under which the assignor estoppel "doctrine often arises": "where an employee invents something during his or her tenure with a company, assigns the rights to that invention to his or her employer, then leaves the company to join or found a competing company." *Arista*, 908 F.3d at 801. Nutanix attempted to disguise its assignor estoppel argument as an "unfair dealing" argument in the same way in IPR2025-00298 (Paper 6 at 17 n.2 (Mar. 19, 2025)) and the merits panel rightly rejected it, holding that Nutanix "may not apply the principle of assignor estoppel to *inter partes* review by calling the principle by a different name." IPR2025-00298, Paper 11 at 22 (Jun. 2, 2025).

The merits panel in IPR2025-00298 was correct, and the Director's contrary decision here should be reversed.[1] The decision to discretionarily deny institution in this case effectively acts to circumvent the statute, Congress's intent, and the Federal Circuit's case law by applying assignor estoppel under a different name. But the Director's discretion, while broad in some respects, is nonetheless cabined by the law. *See, e.g.*, *Kirtsaeng v. John Wiley & Sons, Inc.*, 579 U.S. 197, 203 (2016) ("in a system of laws discretion is rarely without limits") (quoting *Flight Attendants v. Zipes*, 491 U.S. 754, 758 (1989)); *Kirkendall v. Dep't of Army*, 479 F.3d 830, 844 (Fed. Cir. 2007) (even when a statute affords some "discretion," an agency "must administer the law as Congress wrote it"); 35 U.S.C. §2(b)(2) (Patent Office "may establish regulations, not inconsistent with law"). The Director does not have discretion to effectively apply assignor estoppel to deny institution and thus deprive this Petitioner of the right, granted by Congress, to participate in *inter partes* review. Where "the statute clearly evinces Congress' intent," an agency "cannot use [its afforded] discretion to override the congressionally mandated right" that the statute sets forth. *Kirkendall*, 479 F.3d at 844.

[1] The Director's decision vacating the merits panel's decision in IPR2025-00298 should likewise be reversed.

III. CONCLUSION

Accordingly, Petitioner respectfully requests that the Director reverse the discretionary denial decision and refer the Petition to the merits panel.

Respectfully submitted,

Date: September 15, 2025

/Anant K. Saraswat/
Anant K. Saraswat, Reg. No. 76,050
WOLF, GREENFIELD & SACKS, P.C

CERTIFICATE OF SERVICE UNDER 37 C.F.R. § 42.6 (e)(4)

I certify that on September 15, 2025, a copy of the foregoing document, including any exhibits filed therewith, is being served via electronic mail, as previously consented to by Patent Owner, upon the following:

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Alexander M. Boyer	alexander.boyer@finnegan.com
Christina Ji-Hye Yang	christina.yang@finnegan.com
Joseph M. Myles	joseph.myles@finnegan.com
	Nutanix-PTAB@finnegan.com

Date: September 15, 2025

/MacAulay Rush/
MacAulay Rush
Paralegal
WOLF, GREENFIELD & SACKS, P.C.

EXHIBIT - O

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TESSELL, INC.,
Petitioner,

v.

NUTANIX, INC.,
Patent Owner.

Case No. IPR2025-00733
Patent No. 11,640,340

PETITIONER'S REQUEST FOR DIRECTOR REVIEW OF DECISION DENYING INSTITUTION

TABLE OF AUTHORITIES

CASES

Arista Networks, Inc. v. Cisco Sys., Inc.,
908 F.3d 792 (Fed. Cir. 2018) 1, 2

Flight Attendants v. Zipes,
491 U.S. 754 (1989) 3

Kirkendall v. Dep't of Army,
479 F.3d 830 (Fed. Cir. 2007) 3

Kirtsaeng v. John Wiley & Sons, Inc.,
579 U.S. 197 (2016) 3

Tessel, Inc. v. Nutanix, Inc.,
IPR2025-00298, Paper 11 at 22 (Jun. 2, 2025) 2

STATUTES

35 U.S.C. § 2(b)(2) 3

35 U.S.C. § 311(a) 1

35 U.S.C. § 314(a) 1

I. INTRODUCTION

Petitioner respectfully requests that the Director reverse the decision discretionarily denying institution (Paper 9) because the decision was an abuse of discretion exceeding the Director's authority under 35 U.S.C. §314(a). While the statute grants the Director certain discretion over institution decisions, discretionary authority cannot be invoked as a license to act contrary to binding law. The Director's decision to deny institution of this *inter partes* review based on so-called "unfair dealings" (IPR2025-00322, Paper 14 at 2-3) (incorporated in IPR2025-00733, Paper 9 at 2) contradicts the IPR statute and binding Federal Circuit law disallowing the application of assignor estoppel in *inter partes* review.

II. ARGUMENT

The Federal Circuit has made very clear: assignor estoppel cannot be applied to prevent an *inter partes* review. *See Arista Networks, Inc. v. Cisco Sys., Inc.*, 908 F.3d 792, 804 (Fed. Cir. 2018). The statute establishing *inter partes* review—35 U.S.C. §311(a)—is "unambiguous" and "allows any person 'who is not the owner of a patent' to file an IPR." *Arista*, 908 F.3d at 803. As the Federal Circuit explained, this is "an intentional congressional choice" that "is consistent with the overarching goals of the IPR process that extend beyond the particular parties in a given patent dispute" and should not be interfered with by courts or agencies outside of Congress. *Id.* at 804. The statute enacted by Congress "***unambiguously***

dictates that assignor estoppel has ***no place*** in IPR proceedings." *Id*. (emphasis added).

Recognizing that it had no proper basis under the law to prevent *inter partes* review of its invalid patent, Patent Owner Nutanix alleged that it was "not arguing that assignor estoppel applies based on [35 U.S.C.] § 311(a)," but was instead asking for discretionary denial based on what Nutanix characterized as "unfair dealing" by the inventors. Paper 6 at 3 n.1. But this is a distinction without a difference. What Nutanix alleges occurred here as a basis for this new "unfair dealing" category of discretionary denial is indistinguishable from the typical factual allegations under which the assignor estoppel "doctrine often arises": "where an employee invents something during his or her tenure with a company, assigns the rights to that invention to his or her employer, then leaves the company to join or found a competing company." *Arista*, 908 F.3d at 801. Nutanix attempted to disguise its assignor estoppel argument as an "unfair dealing" argument in the same way in IPR2025-00298 (Paper 6 at 17 n.2 (Mar. 19, 2025)) and the merits panel rightly rejected it, holding that Nutanix "may not apply the principle of assignor estoppel to *inter partes* review by calling the principle by a different name." IPR2025-00298, Paper 11 at 22 (Jun. 2, 2025).

The merits panel in IPR2025-00298 was correct, and the Director's contrary decision here should be reversed.[1] The decision to discretionarily deny institution in this case effectively acts to circumvent the statute, Congress's intent, and the Federal Circuit's case law by applying assignor estoppel under a different name. But the Director's discretion, while broad in some respects, is nonetheless cabined by the law. *See, e.g.*, *Kirtsaeng v. John Wiley & Sons, Inc.*, 579 U.S. 197, 203 (2016) ("in a system of laws discretion is rarely without limits") (quoting *Flight Attendants v. Zipes*, 491 U.S. 754, 758 (1989)); *Kirkendall v. Dep't of Army*, 479 F.3d 830, 844 (Fed. Cir. 2007) (even when a statute affords some "discretion," an agency "must administer the law as Congress wrote it"); 35 U.S.C. §2(b)(2) (Patent Office "may establish regulations, not inconsistent with law"). The Director does not have discretion to effectively apply assignor estoppel to deny institution and thus deprive this Petitioner of the right, granted by Congress, to participate in *inter partes* review. Where "the statute clearly evinces Congress' intent," an agency "cannot use [its afforded] discretion to override the congressionally mandated right" that the statute sets forth. *Kirkendall*, 479 F.3d at 844.

[1] The Director's decision vacating the merits panel's decision in IPR2025-00298 should likewise be reversed.

III. CONCLUSION

Accordingly, Petitioner respectfully requests that the Director reverse the discretionary denial decision and refer the Petition to the merits panel.

Respectfully submitted,

Date: September 15, 2025

/Anant K. Saraswat/
Anant K. Saraswat, Reg. No. 76,050
WOLF, GREENFIELD & SACKS, P.C

CERTIFICATE OF SERVICE UNDER 37 C.F.R. § 42.6 (e)(4)

I certify that on September 15, 2025, a copy of the foregoing document, including any exhibits filed therewith, is being served via electronic mail, as previously consented to by Patent Owner, upon the following:

Joshua L. Goldberg	joshua.goldberg@finnegan.com
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Christina Ji-Hye Yang	christina.yang@finnegan.com
Joseph M. Myles	joseph.myles@finnegan.com
	Nutanix-PTAB@finnegan.com

Date: September 15, 2025

/MacAulay Rush/
MacAulay Rush
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WOLF, GREENFIELD & SACKS, P.C.

EXHIBIT - P

Director_PTABDecision_Review@uspto.gov
571.272.7822

Paper 20
Date: November 5, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

TESSELL, INC.,
Petitioner,

v.

NUTANIX, INC.,
Patent Owner.

IPR2025-00298
Patent 11,860,818 B2

Before JOHN A. SQUIRES, *Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office*.

ORDER
Denying Request for Rehearing

Tessell, Inc. requested rehearing of the Order granting Director Review, vacating the Decision granting institution, and denying institution of *inter partes* review in the above-captioned case, and Nutanix, Inc. filed an authorized response. *See* Papers 18 ("Rehearing Request"), 19.

Having reviewed the Rehearing Request and response, it is:

ORDERED that the Rehearing Request is denied.

IPR2025-00298
Patent 11,860,818 B2

FOR PETITIONER:

Anant K. Saraswat
Elisabeth H. Hunt
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EXHIBIT - Q

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571.272.7822

Paper 18
Date: August 25, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

TESSELL, INC.,
Petitioner,

v.

NUTANIX, INC.,
Patent Owner.

IPR2025-00322
Patent 11,010,336 B2

Before COKE MORGAN STEWART, *Acting Under Secretary of Commerce for Intellectual Property and Acting Director of the United States Patent and Trademark Office.*

ORDER

The Office received a request for Director Review of the Decision denying institution in the above-captioned case and an authorized response to the request. *See* Papers 15, 17.

Having considered the request and response, it is:

ORDERED that the request for Director Review is denied.

IPR2025-00322
Patent 11,010,336 B2

FOR PETITIONER:

Anant K. Saraswat
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Daniel D. Smith
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FOR PATENT OWNER:

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EXHIBIT - R

Director_PTABDecision_Review@uspto.gov
571.272.7822

Paper 12
Date: November 5, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

TESSELL, INC.,
Petitioner,

v.

NUTANIX, INC.,
Patent Owner.

IPR2025-00732 (Patent 10,817,157 B2)
IPR2025-00733 (Patent 11,640,340 B2)[1]

Before JOHN A. SQUIRES, *Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office*.

ORDER

[1] This order applies to each of the above-listed proceedings.

The Office received a request for Director Review of the Decision denying institution in each of the above-captioned cases and an authorized response to each request. *See* Papers 10, 11.[2]

Having considered the requests and responses, it is:

ORDERED that the requests for Director Review are denied.

[2] Citations are to the record in IPR2025-00732. The parties filed similar papers in IPR2025-00733.

IPR2025-00732 (Patent 10,817,157 B2)
IPR2025-00733 (Patent 11,640,340 B2)

FOR PETITIONER:

Anant K. Saraswat
Elisabeth H. Hunt
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FOR PATENT OWNER:

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EXHIBIT - S

PATENT TRIAL AND APPEAL BOARD

STANDARD OPERATING PROCEDURE 2 (REVISION 11)[1]

DESIGNATION OR DE-DESIGNATION OF DECISIONS AS PRECEDENTIAL OR INFORMATIVE

This Standard Operating Procedure (SOP) addresses the review procedure for designating Patent Trial and Appeal Board (Board or PTAB) decisions as precedential or informative authority for the Board. The review procedure includes a process by which an Advisory Committee and PTAB Executive Management evaluate decisions nominated for precedential or informative designation. As part of this process, PTAB Executive Management will, absent exceptional circumstances, solicit and evaluate comments from all members of the Board to determine whether to recommend a nominated decision for designation as precedential or informative.

This SOP also includes the process for de-designating previously designated precedential or informative decisions.

No decision will be designated or de-designated as precedential or informative without the approval of the Director. This SOP does not limit the authority of the Director to designate or de-designate decisions as precedential or informative. Nor does this SOP limit the Director's authority to issue, at any time and in any manner, policy directives that are binding on any and all USPTO employees, including Board judges, such as policy directives concerning the interpretation and implementation of statutory provisions. *See, e.g.*, 35 U.S.C. §3(a)(2)(A); *see also, e.g.*, 35 U.S.C. §§ 3(a)(1), 2(b)(2)(A), 316(a), 326(a).

This SOP sets forth internal processes and procedures for the administration of PTAB. It does not create any legally-enforceable rights. The actions described in this SOP are part of the USPTO's deliberative process.

I. PURPOSE

The Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office (Director), who is a statutory member of the Board (35 U.S.C. § 6(a)), is "responsible for providing policy

[1] Published July 24, 2023.

direction and management supervision for the Office" (35 U.S.C. § 3(b)(2)(A)), which has authority to "govern the conduct of proceedings in the Office" (35 U.S.C. § 2(b)(2)(A)). The Director has an interest in establishing binding authority for fair and efficient Board proceedings, and for ensuring consistent decisions within and across Board jurisdictions, including appeals from adverse patent examiner decisions, appeals from reexamination proceedings, derivation proceedings, and *inter partes* review and post-grant review proceedings. 35 U.S.C. § 6(b).

A. Publication of Decisions

The Administrative Procedure Act requires that "[e]ach agency shall make available to the public . . . final opinions, including concurring and dissenting opinions, as well as orders, made in the adjudication of cases." 5 U.S.C. § 552(a)(2)(A). Since August 1997, Board decisions have been made available to the public through the electronic posting of most[2] final Board decisions (http://e-foia.uspto.gov/Foia/PTABReadingRoom.jsp; https://ptab.uspto.gov). A decision, as used in this SOP, refers to any Board decision, opinion, or order, or the rehearing decision of any Board decision, opinion, or order.

The Board enters thousands of decisions every year. Every decision is, by default, a routine decision. A routine decision is binding in the case in which it is made, even if it is not designated as precedential or informative, but it is not otherwise binding authority. This SOP provides a mechanism for highlighting certain Board decisions by designating them as precedential or informative.

B. Designation of Decisions as Precedential or Informative

This SOP set forth procedures for designating decisions as precedential or informative. These procedures are the typical procedures the Board and Office use to establish binding authority or set forth Board norms, but these procedures do not limit the Director's authority to issue, at any time and in any manner, policy directives, including issuing precedential decisions and guidance memorandums. These policy directives are binding on any and all USPTO employees, including Board judges, and may include directives concerning the interpretation and implementation of statutory provisions. *See, e.g.*, 35 U.S.C.

[2] Electronic publication of most decisions depends on whether the underlying application is entitled to confidentiality. 35 U.S.C. § 122. Since November 2000, only a relatively small number of decisions remain confidential.

§3(a)(2)(A); *see also, e.g.*, 35 U.S.C. §§ 3(a)(1), 2(b)(2)(A), 316(a), 326(a).

A precedential decision establishes binding authority concerning major policy or procedural issues, or other issues of exceptional importance, including constitutional questions, important issues regarding statutes, rules, and regulations, important issues regarding case law, or issues of broad applicability to the Board.

An informative decision provides Board norms on recurring issues, guidance on issues of first impression to the Board, guidance on Board rules and practices, and guidance on issues that may develop through analysis of recurring issues in many cases.

No case will be designated precedential or informative without the approval of the Director.

C. Procedures for De-designation

This SOP also provides a procedure for de-designating decisions previously designated as precedential or informative when they should no longer be designated as such, for example, because they have been rendered obsolete by subsequent binding authority, are inconsistent with current policy, or are no longer relevant to Board jurisprudence. No decision will be de-designated without the approval of the Director.

II. DESIGNATING AN ISSUED DECISION AS PRECEDENTIAL OR INFORMATIVE

Every Board decision is a routine decision unless it is designated as precedential or informative. A routine decision is binding in the case in which it is made, even if it is not designated as precedential or informative, but is not otherwise binding authority. The sections below set forth a procedure for nomination, review, and designation of issued decisions as precedential or informative.

A. Nominating Process for Precedential or Informative Designation

Any person, including, for example, Board members and other USPTO employees, as well as members of the public, may nominate a routine decision of the Board for designation as precedential or informative. An informative decision may similarly be nominated for precedential designation.

Nominations for precedential or informative designation must set forth with particularity the reasons for the requested designation, and must also identify any other Board decisions of which the person nominating is aware that may conflict with the nominated decision. Nominations should be submitted by email to PTAB_Decision_Nomination@uspto.gov.

Nominated decisions may be considered for precedential designation to establish binding Board authority concerning major policy or procedural issues, or other issues of exceptional importance in the limited situations where it is appropriate to create such binding authority through adjudication before the Board. For example, such issues may include constitutional questions; important issues regarding statutes, rules, and regulations; important issues regarding binding or precedential case law; or issues of broad applicability to the Board. The precedential designation may also be used to resolve conflicts between Board decisions and to promote certainty and consistency among Board decisions.

Nominated decisions may be considered for informative designation for reasons including, for example: (1) providing Board norms on recurring issues; (2) providing non-binding guidance on issues of first impression to the Board; (3) providing non-binding guidance on Board rules and practices; and (4) providing non-binding guidance on issues that may develop through analysis of recurring issues in many cases.

B. Recommendations for Precedential or Informative Designation

1. Advisory Committee

An Advisory Committee will review the nominated decisions. The Advisory Committee has at least 11 members and includes representatives from various USPTO business units who serve at the discretion of the Director. The Advisory Committee typically comprises members from the following business units of the USPTO:

- Office of the Under Secretary (not including the Director or Deputy Director)
- Patent Trial Appeal Board (not including members of the original panel for each case under review)
- Office of the Commissioner for Patents (not including the Commissioner for Patents and any persons involved in the examination of the challenged patent)
- Office of the General Counsel

- Office of Policy and International Affairs

The Advisory Committee will make recommendations as to which decisions should be further reviewed for designation as precedential or informative. Advisory Committee meetings may proceed with less than all members in attendance. A quorum of seven members must be present for each meeting. Additional individuals, such as technical or subject matter experts, or others assisting in an administrative support capacity, may participate in Advisory Committee meetings but do not provide recommendations to the Director.

The Advisory Committee prepares an advisory recommendation for each nominated decision. The Advisory Committee provides its recommendations to the Director at regular intervals, promoting the timely consideration of nominated decisions. If the recommendation is not unanimous, dissenting views will be reported to the Director.

2. PTAB Executive Management

PTAB Executive Management also will provide a recommendation to the Director, either orally or in writing, on whether to designate a nominated decision, or a portion thereof, as precedential or informative. PTAB Executive Management will review the nominated decision and the recommendation provided by the Advisory Committee. PTAB Executive Management will, absent exceptional circumstances, solicit feedback from Board members, as discussed below. PTAB Executive Management will provide its recommendation to the Director as to whether to designate the decision, or a portion thereof, as precedential or informative.

i. Composition of PTAB Executive Management

For purposes of this SOP, PTAB Executive Management consists of the Chief Judge, the Deputy Chief Judge, Vice Chief Judges, and Senior Lead Administrative Patent Judges.[3] A quorum of five members must be present in making each recommendation. If a quorum cannot be reached, PTAB Executive Management will not provide a recommendation to the Director.

[3] For purposes of this SOP, persons in an acting Chief Judge, Deputy Chief Judge, Vice Chief Judge, or Senior Lead Judge capacity are members of PTAB Executive Management.

ii. PTAB Executive Management Review Process

As part of its evaluation, PTAB Executive Management will, absent exceptional circumstances, solicit and review comments from members of the Board that do not have a conflict of interest with the nominated decision. To that end, PTAB Executive Management will present the nominated decision to all members of the Board for comment during a Board review period. During the Board review period, which typically will be five business days, any member of the Board may submit written comments to PTAB Executive Management regarding whether the decision should be designated as precedential or informative. PTAB Executive Management may share the comments with all members of the Board. After the expiration of the Board review period, PTAB Executive Management will compile and evaluate the received comments, and shall determine by majority vote of PTAB Executive Management whether to recommend the decision for designation as precedential or informative. If the recommendation is not unanimous, dissenting views will be reported to the Director.

C. Designating a Decision as Precedential or Informative

PTAB Executive Management shall submit its recommendation, along with the Advisory Committee recommendation and a summary of Board comments, to the Director, with an explanation for its recommendation. The Director may consult with others, including, for example, members of the Office of the General Counsel.[4] No decision or portion thereof may be designated as precedential or informative pursuant to these procedures without the Director's approval. If the Director determines that the decision or portion thereof should be designated as precedential or informative, the Director will notify the Chief Judge.[5]

The decision to be designated will then be published or otherwise disseminated following notice and opportunity for written objection afforded by 37 C.F.R. § 1.14, in those instances in which the decision would not otherwise be open to public inspection because a patent application is preserved in confidence

[4] The Director will not consult with anyone having a conflict of interest with the designated decision.

[5] This SOP does not limit the authority of the Director to designate or de-designate an issued decision or portion thereof as precedential or informative at any time, in his or her sole discretion.

pursuant to 35 U.S.C. § 122(a).

Decisions, or portions thereof, designated as precedential or informative shall be labeled "Precedential" or "Informative," respectively, and include the date on which the decision is so designated. If a portion of a decision is designated as precedential or informative, an indication of that portion shall be included in the label. Precedential and informative decisions shall be posted electronically on the Board's Precedential and Informative Decisions Web page[6] and may be sent to commercial reporters that routinely publish Board decisions.

D. Effect of Precedential or Informative Designation

A precedential decision is binding Board authority in subsequent matters involving similar facts or issues.

Informative decisions set forth Board norms that should be followed in most cases, absent justification, although an informative decision is not binding authority on the Board.

A decision previously designated as precedential or informative under a prior version of SOP 2 (and not previously de-designated) shall remain precedential or informative unless de-designated under § III of this SOP.

E. Conflicts of Interest

If the Director, a member of the Advisory Committee, or a member of PTAB Executive Management has a conflict of interest, they shall notify the other members and will recuse themselves from the designation or de-designation process for that decision.

In determining whether a conflict of interest exists, the USPTO follows the guidance set forth in the Standards of Ethical Conduct for Employees of the Executive Branch at 5 C.F.R. Part 2635 and will consult with the Department of Commerce Ethics Law and Programs Office, as necessary, to resolve any questions pertaining to conflicts of interest. Conflicts may include, for example, involvement in the examination or prosecution of the underlying patent or a related patent at issue.

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[6] Available at www.uspto.gov/patents-application-process/patent-trial-and-appeal-board/precedential-informative-decisions.

Additionally, the Office has set forth procedures that the Office will follow in the event of an actual or potential conflict of interest by Director or Deputy Director of the USPTO. *See* "Director Recusal Procedures" at *Office of the Under Secretary and Director*.[7]

Finally, as a matter of policy, PTAB Executive Management judges will additionally follow the guidance on conflicts of interest set forth in the PTAB's Standard Operating Procedure 1 and will recuse themselves from any discussion or analysis involving cases or related cases on which they are paneled.

III. DE-DESIGNATING A PRECEDENTIAL OR INFORMATIVE DECISION

Any person, including, for example, Board members and other USPTO employees, as well as members of the public, may suggest that a Board decision designated as "Precedential" or "Informative" should no longer be designated as such, for example because it has been rendered obsolete by subsequent binding authority, is inconsistent with current policy, or is no longer relevant to Board jurisprudence. Nominations for de-designation should be submitted by email to PTAB_Decision_Nomination@uspto.gov.

If the Director determines that a particular Board decision should no longer be designated as precedential or informative, that Board decision will be de-designated. The Chief Judge will notify the Board that the decision has been de-designated. The decision will be removed from the Board's Precedential and Informative Decisions Web page and the public will be notified that the decision has been de- designated.

[7] Available at www.uspto.gov/about-us/organizational-offices/office-under-secretary-and-director.

EXHIBIT - T

Director_Discretionary_Decision@uspto.gov
571-272-7822

Paper 9
Date: July 24, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

GATOR BIO, INC.,
Petitioner,

v.

SARTORIUS BIOANALYTICAL INSTRUMENTS, INC.,
Patent Owner.

IPR2025-00633
Patent 8,647,588 B2

Before COKE MORGAN STEWART, *Acting Under Secretary of Commerce for Intellectual Property and Acting Director of the United States Patent and Trademark Office*.

DECISION
Denying Institution of *Inter Partes* Review

Sartorius Bioanalytical Instruments, Inc. ("Patent Owner") filed a request for discretionary denial (Paper 7, "DD Req.") in the above-captioned case, and Gator Bio Inc. ("Petitioner") filed an opposition (Paper 8, "DD Opp.").

After considering the parties' arguments and the record, and in view of all relevant considerations, discretionary denial of institution is appropriate in this proceeding. This determination is based on the totality of the evidence and arguments the parties have presented.

In particular, the challenged patent has been in force for over 11 years, creating strong settled expectations for Patent Owner. In addition, two inventors of the challenged patent are founders of Petitioner, and one of these inventors is named as a real party-in-interest in this proceeding. Ex. 2001; Ex. 1001; Paper 2, 80. It is not an appropriate use of Office resources where inventors applied for and were issued a patent but now advocate for its unpatentability. *See Tessell, Inc. v. Nutanix, Inc.*, IPR2025-00322, Paper 14 at 2 (Director June 12, 2025).

Although certain arguments are highlighted above, the determination to exercise discretion to deny institution is based on a holistic assessment of all of the evidence and arguments presented. Accordingly, the Petition is denied under 35 U.S.C. § 314(a).

In consideration of the foregoing, it is:

ORDERED that Patent Owner's request for discretionary denial is *granted*; and

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

IPR2025-00633
Patent 8,647,588 B2

FOR PETITIONER:

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EXHIBIT - U

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571-272-7822

Paper 10
Date: October 17, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

ORCA SECURITY LTD.,
Petitioner,

v.

WIZ, INC.,
Patent Owner.

IPR2025-01083 (Patent 11,722,554 B2)
IPR2025-01084 (Patent 11,929,896 B1)
IPR2025-01085 (Patent 11,936,693 B2)
IPR2025-01086 (Patent 12,001,549 B1)
IPR2025-01087 (Patent 12,003,529 B1)

Before COKE MORGAN STEWART, *Deputy Under Secretary of Commerce for Intellectual Property and Deputy Director of the United States Patent and Trademark Office*.

DECISION
Referring the Petitions to the Board

IPR2025-01083 (Patent 11,722,554 B2)
IPR2025-01084 (Patent 11,929,896 B1)
IPR2025-01085 (Patent 11,936,693 B2)
IPR2025-01086 (Patent 12,001,549 B1)
IPR2025-01087 (Patent 12,003,529 B1)

Wiz, Inc. ("Patent Owner") filed a request for discretionary denial (Paper 7, "DD Req.") in the above-captioned cases, and Orca Security Ltd. ("Petitioner") filed an opposition (Paper 8, "DD Opp.").[1]

After considering the parties' arguments and the record, and in view of all relevant considerations, discretionary denial of institution is not appropriate in these proceedings. This determination is based on the totality of the evidence and arguments the parties have presented.

In particular, there is no trial date set in the parallel district court proceeding, which is currently stayed. DD Req. 3. As such, it is likely that a final written decision in this proceeding will issue before the district court trial occurs, reducing the concern of inconsistent outcomes or significant duplication of efforts resulting from two proceedings operating in parallel. In addition, there has been minimal investment in the district court proceeding. *Id.*; DD Opp. 5–6.

In addition, the challenged patents have not been in force for a significant period of time (issued in 2023 and 2024). Accordingly, Patent Owner has not developed strong settled expectations that favor discretionary denial. Additionally, early challenges favor robust, predictable patent rights and weigh against discretionary denial.

Although certain arguments are highlighted above, the determination not to exercise discretion to deny institution is based on a holistic assessment of all of the evidence and arguments presented. Accordingly, the Petitions

[1] Citations are to papers in IPR2025-01083. The parties filed similar papers in IPR2025-01084, IPR2025-01085, IPR2025-01086, IPR2025-01087.

IPR2025-01083 (Patent 11,722,554 B2)
IPR2025-01084 (Patent 11,929,896 B1)
IPR2025-01085 (Patent 11,936,693 B2)
IPR2025-01086 (Patent 12,001,549 B1)
IPR2025-01087 (Patent 12,003,529 B1)

are referred to the Board to handle the cases in the normal course, including by issuing a decision on institution addressing the merits and other non-discretionary considerations, as appropriate.

In consideration of the foregoing, it is:

ORDERED that Patent Owner's request for discretionary denial is *denied*;

FURTHER ORDERED that the Petitions are referred to the Board; and

FURTHER ORDERED that neither party shall file a request for rehearing or Director Review of this decision until the Board issues a decision on institution.

IPR2025-01083 (Patent 11,722,554 B2)
IPR2025-01084 (Patent 11,929,896 B1)
IPR2025-01085 (Patent 11,936,693 B2)
IPR2025-01086 (Patent 12,001,549 B1)
IPR2025-01087 (Patent 12,003,529 B1)

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571-272-7822

Paper 11
Date: October 3, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

ONEPLUS TECHNOLOGY (SHENZHEN) CO., LTD.,
Petitioner,

v.

PANTECH CORPORATION,
Patent Owner.

IPR2025-00720 (Patent 9,769,776 B2)
IPR2025-00756 (Patent 10,764,803 B2)
IPR2025-00887 (Patent 8,995,372 B2)
IPR2025-00888 (Patent 9,369,251 B2)

Before COKE MORGAN STEWART, *Deputy Under Secretary of Commerce for Intellectual Property and Deputy Director of the United States Patent and Trademark Office*.

DECISION
Denying Institution of *Inter Partes* Review in IPR2025-00720, IPR2025-00887, and IPR2025-00888 and Referring the Petition in IPR2025-00756 to the Board

IPR2025-00720 (Patent 9,769,776 B2)
IPR2025-00756 (Patent 10,764,803 B2)
IPR2025-00887 (Patent 8,995,372 B2)
IPR2025-00888 (Patent 9,369,251 B2)

Pantech Corporation ("Patent Owner") filed a request for discretionary denial (Paper 7, "DD Req.") in the above-captioned cases, and OnePlus Technology (Shenzhen) Co., Ltd. ("Petitioner") filed an opposition (Paper 8, "DD Opp.").[1]

After considering the parties' arguments and the record, and in view of all relevant considerations, discretionary denial of institution is appropriate in IPR2025-00720, IPR2025-00887, and IPR2025-00888, but is not appropriate in IPR2025-00756. This determination is based on the totality of the evidence and arguments the parties have presented.

Some factors counsel against discretionary denial. For example, the district court has stayed the parallel proceeding involving the parties and challenged patents. Ex. 3101; Ex. 1040. As such, a final written decision will issue before the district court trial occurs, reducing the concern of inconsistent outcomes or significant duplication of efforts resulting from two proceedings operating in parallel. Additionally, the patent challenged in IPR2025-00756 has not been in force for a significant period of time (issued in 2020). Early challenges favor robust, predictable patent rights and weigh against discretionary denial.

The patents challenged in IPR2025-00720, IPR2025-00887, and IPR2025-00888 present different circumstances and are unrelated to the patent challenged in IPR2025-00756. In particular, the challenged patents have been in force for eight, ten, and nine years, respectively, creating strong settled expectations for Patent Owner, and Petitioner does not provide

[1] Citations are to papers in IPR2025-00720. The parties filed similar papers in IPR2025-00756, IPR2025-00887, and IPR2025-00888.

persuasive reasoning why an *inter partes* review is an appropriate use of Board resources. *Dabico Airport Sols. Inc. v. AXA Power ApS*, IPR2025-00408, Paper 21 at 2–3 (Director June 18, 2025). In the absence of any such information, the Office is disinclined to disturb the strong settled expectations of Patent Owner.

Although certain arguments are highlighted above, the determinations in this Decision are based on a holistic assessment of all of the evidence and arguments presented. Accordingly, the Petitions in IPR2025-00720, IPR2025-00887, and IPR2025-00888 are denied under 35 U.S.C. § 314(a), and the Petition in IPR2025-00756 is referred to the Board to handle the case in the normal course, including by issuing a decision on institution addressing the merits and other non-discretionary considerations, as appropriate.

In consideration of the foregoing, it is:

ORDERED that Patent Owner's requests for discretionary denial in IPR2025-00720, IPR2025-00887, and IPR2025-00888 are *granted*;

FURTHER ORDERED that the Petitions in IPR2025-00720, IPR2025-00887, and IPR2025-00888 are *denied*, and no trial is instituted;

FURTHER ORDERED that Patent Owner's request for discretionary denial in IPR2025-00756 is *denied*;

FURTHER ORDERED that the Petition in IPR2025-00756 is referred to the Board; and

FURTHER ORDERED that neither party shall file a request for rehearing or Director Review of the decision to deny Patent Owner's request

IPR2025-00720 (Patent 9,769,776 B2)
IPR2025-00756 (Patent 10,764,803 B2)
IPR2025-00887 (Patent 8,995,372 B2)
IPR2025-00888 (Patent 9,369,251 B2)

for discretionary denial in IPR2025-00756 until the Board issues a decision on institution.

IPR2025-00720 (Patent 9,769,776 B2)
IPR2025-00756 (Patent 10,764,803 B2)
IPR2025-00887 (Patent 8,995,372 B2)
IPR2025-00888 (Patent 9,369,251 B2)

FOR PETITIONER IN IPR2025-00720 AND IPR2025-00756:

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Paper 14
Date: September 19, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE UNITED STATES PATENT AND TRADEMARK OFFICE

SUZHOU MOJAWA INTELLIGENT ELECTRONIC CO., LTD.,
Petitioner,

v.

SHENZHEN SHOKZ CO., LTD.,
Patent Owner.

IPR2025-00842 (Patent 11,197,084 B2)
IPR2025-00843 (Patent 11,310,582 B2)

Before COKE MORGAN STEWART, *Acting Under Secretary of Commerce for Intellectual Property and Acting Director of the United States Patent and Trademark Office*.

DECISION
Referring the Petitions to the Board

Shenzhen Shokz Co., Ltd. ("Patent Owner") filed a request for discretionary denial (Paper 9, "DD Req.") in the above-captioned cases, and Suzhou Mojawa Intelligent Electronic Co., Ltd. ("Petitioner") filed an opposition (Paper 11, "DD Opp.").[1]

After considering the parties' arguments and the record, and in view of all relevant considerations, discretionary denial of institution is not appropriate in these proceedings. This determination is based on the totality of the evidence and arguments the parties have presented.

In particular, the challenged patents have not been in force for a significant period of time (issued in 2021 and 2022). Accordingly, Patent Owner has not developed strong settled expectations that favor discretionary denial. Additionally, early challenges favor robust, predictable patent rights and weigh against discretionary denial.

Furthermore, the parallel district court proceeding involving the parties has been stayed. *See* Ex. 3102. As such, a final written decision will issue before the district court trial occurs, reducing the concern of inconsistent outcomes or significant duplication of efforts resulting from two proceedings operating in parallel. This counsels against discretionary denial.

In addition, Petitioner provides persuasive reasoning, supported by evidence, that discretionary denial under 35 U.S.C. § 325(d) is not appropriate.

Although certain arguments are highlighted above, the determination not to exercise discretion to deny institution is based on a holistic assessment

[1] Citations are to papers in IPR2025-00842. The parties filed similar papers in IPR2025-00843.

of all of the evidence and arguments presented. Accordingly, the Petitions are referred to the Board to handle the cases in the normal course, including by issuing a decision on institution addressing the merits and other non-discretionary considerations, as appropriate.

In consideration of the foregoing, it is:

ORDERED that Patent Owner's request for discretionary denial is *denied*;

FURTHER ORDERED that the Petitions are referred to the Board; and

FURTHER ORDERED that neither party shall file a request for rehearing or Director Review of this decision until the Board issues a decision on institution.

IPR2025-00842 (Patent 11,197,084 B2)
IPR2025-00843 (Patent 11,310,582 B2)

FOR PETITIONER:

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Michael Burns
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FOR PATENT OWNER:

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FORM 30. Certificate of Service **Form 30**
July 2020

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

CERTIFICATE OF SERVICE

Case Number 2025-

Short Case Caption In Re Tessell, Inc.

NOTE: Proof of service is only required when the rules specify that service must be accomplished outside the court's electronic filing system. See Fed. R. App. P. 25(d); Fed. Cir. R. 25(e). Attach additional pages as needed.

I certify that I served a copy of the foregoing filing on 12/05/2025

by ☐ U.S. Mail ☐ Hand Delivery ☑ Email ☐ Facsimile
☐ Other: _____

on the below individuals at the following locations.

Person Served	Service Location (Address, Facsimile, Email)
	See Attached Service List

☐ Additional pages attached.

Date: 12/05/2025

Signature: /s/ James M. Glass

Name: James M. Glass

SERVICE LIST

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