

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

CISCO SYSTEMS, INC.,
Petitioner,

v.

WSOU INVESTMENTS LLC d/b/a BRAZOS LICENSING AND
DEVELOPMENT,
Patent Owner.

IPR2025-00188
Patent 8,982,691 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

WSOU Investments LLC d/b/a Brazos Licensing and Development (“Patent Owner”) filed a request for Director Review of the Decision granting institution (“Decision,” Paper 10), and Cisco Systems Inc. (“Petitioner”) filed an authorized response. *See* Paper 12 (“DR Request”); Paper 13. Patent Owner argues that the Board erred in its analysis and weighing of the *Fintiv*¹ factors. DR Request 12–13. In particular, Patent Owner argues that the Board gave too much weight to Petitioner’s *Sotera*² stipulation (factor 4), which does not bind Petitioner from raising system art in combination with the prior art asserted in this proceeding, and placed undue weight on the merits of the petition (factor 6). *Id.* at 7–13.

Petitioner responds that the Board properly assessed Petitioner’s *Sotera* stipulation under *Fintiv* factor 4 and considered Patent Owner’s arguments under *Fintiv* factor 6. Paper 13, 3–7. Petitioner argues that system art is outside the scope of *inter partes* review estoppel and the expectation for a *Sotera* stipulation to cover grounds that include system art is unreasonable and untenable. *Id.*

The Board’s analysis of factors 4 and 6, and the overall weighing of the *Fintiv* factors was erroneous. *See* Decision 16–23. The Board gave too much weight to Petitioner’s *Sotera* stipulation and its potential to reduce overlap with the issues raised in the parallel proceeding. *Id.* at 17.

Petitioner’s stipulation “does not relinquish any rights or opportunities to challenge the ’691 patent claims on any other ground (i.e., any ground that

¹ *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5–6 (PTAB Mar. 20, 2020) (precedential).

² *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (precedential as to § II.A.).

could not have been raised under §§ 102 or 103 on the basis of prior art patent or printed publications).” Paper 7, 2. Further, Petitioner’s invalidity arguments in the district court include combinations of the prior art asserted in this proceeding with unpublished system prior art. *See* Paper 8, 2–4 (citing Ex. 2006, 37–38). As in *Motorola Solutions*, Petitioner’s stipulation here does not ensure that this proceeding would be a true alternative to the district court proceeding and is entitled to less weight. *See Motorola Solutions v. Stellar, LLC*, IPR2025-01205, Paper 19 at 3 (PTAB March 28, 2025).

As to *Fintiv* factor 6, the Board rejected Patent Owner’s arguments on the merits as based on a narrow claim interpretation but failed to construe the claims or explain why it considered Petitioner’s obviousness grounds to be “particularly strong.” Decision 22. And although the Board may consider the strength of the merits as part of its balanced assessment of all the relevant circumstances in the case, the Board erred in giving undue weight to the merits of the petition as compared to the other *Fintiv* factors.

Here, the district court has not granted a stay and the likely trial date in the parallel proceeding is approximately three months before the statutory date for the Board’s final written decision. *See id.* at 11–13. As such, it is unlikely that a final written decision in this proceeding will issue before the district court trial occurs. Considering this, along with the remaining *Fintiv* factors as a whole, the efficiency and integrity of the system are best served by denying review.

In consideration of the foregoing, it is:

ORDERED that Director Review is granted;

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FURTHER ORDERED that the Decision granting institution of *inter partes* review (Paper 10) is vacated; and

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

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