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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.

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