

UNITED STATES PATENT AND TRADEMARK OFFICE

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

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TESSELL, INC.,  
Petitioner,

v.

NUTANIX, INC.,  
Patent Owner.

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IPR2025-00322  
Patent 11,010,336 B2

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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.

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Patent 11,010,336 B2

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