

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE LLC,
Petitioner,

v.

VIRTAMOVE, CORP.,
Patent Owner.

Case No. IPR2025-00489
Patent No. 7,784,058

**PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL OF
INSTITUTION**

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35 U.S.C. § 1018

35 U.S.C. § 1128

35 U.S.C. § 3141, 2, 6

PATENT OWNER'S EXHIBIT LIST

No.	Description
2001	May 7, 2025 Transfer Order in <i>VirtaMove v. Google</i> , 24-CV-00033 (W.D. Tex.)
2002	DocketNavigator Median Time-to-Trial Statistics
2003	National Judicial Caseload Profile, <i>available at</i> https://www.uscourts.gov/sites/default/files/2025-02/fcms_na_distprofile1231.2024.pdf
2004	Petitioner Google's October 17, 2024 Invalidity Contentions

I. INTRODUCTION

Pursuant to the Director's March 26, 2025 memorandum regarding Interim Processes for PTAB Workload Management ("March 26, 2025 Memo"), Patent Owner requests that the Director exercise discretion to deny institution of the Petition for numerous discretionary reasons.

First, the *Fintiv* factors taken as a whole favor denial of institution. This case was recently transferred, and trial is likely to be set before the deadline for a final written decision. And all of the other *Fintiv* factors also either weigh strongly against institution or are neutral, including additional factors such as settled expectations (where here, the challenged patent was issued before the America Invents Act was even signed into law). Accordingly, institution should be denied pursuant to *Fintiv* and 35 U.S.C. § 314.

Second, there are numerous parallel petitions filed against the challenged patent (U.S. Patent No. 7,784,058, or "'058 patent"). Specifically, between Google and Amazon, there are three IPR Petitions filed challenging the '058 patent, presenting five distinct grounds involving seven different explicitly identified references (including dozens of different "shadow" references relied on to support the presented invalidity theories). To the extent the Board finds *any* of these Petitions should be instituted, Patent Owner requests that institution be limited to one Petition challenging validity of the '058 patent, as both Google and Amazon's interests can

be represented by a single petition challenging validity (and VirtaMove would not oppose a motion for joinder if only one petition is granted). Furthermore, Unified Patents has *separately* requested *ex parte* reexamination of the '058 patent (*see* Ex. 1060), such that there are currently *four* pending unique challenges to the '058 patent.

II. DENIAL OF INSTITUTION UNDER §314 IS WARRANTED.

35 U.S.C. § 314(a) gives the Director discretion to deny institution of IPR due to the advanced state of parallel district court litigation regarding the same issues. *See NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 19-21 (PTAB Sept. 12, 2018) (precedential) (“*NHK*”). The Board has set forth six factors for determining whether discretionary denial in light of such parallel litigation is appropriate:

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

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 5-6 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv I*”). In evaluating these factors, the Board “takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 7-17 (PTAB May 13, 2020) (informative) (“*Fintiv II*”).

A. *Fintiv* Factor 1: There is no evidence that a second stay will be granted.

Fintiv Factor 1 looks to “whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted.” *Fintiv I* at 5-6.

Here, the District Court Proceeding was transferred to the Northern District of California on May 7, 2025, after previously being filed in the Western District of Texas (Ex 2001). While the case was previously stayed pending transfer (Ex. 1087 at 4-5), the case has now been transferred and the stay has thus lapsed. *See* Ex. 2001 (transferring case on May 7, 2025). Because the Board ordinarily “will not attempt to predict” how a district court will proceed if a stay has not been granted (*see Sand Revolution II, LLC v. Continental Intermodal Group-Trucking LLC*, IPR2019-01393, Paper 24 at 7 (June 16, 2020) (informative)), there is no reason to suggest that the Northern District of California will issue a stay, particularly because claim construction briefing has already been concluded as discussed below. *Fintiv* Factor 1 is thus neutral.

B. *Fintiv* Factor 2: The District Court trial will likely at or before the time for a final written decision.

Fintiv Factor 2 looks to “proximity of the court's trial date to the Board's projected statutory deadline for a final written decision.” *Fintiv I* at 5-6. “If the court’s trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution under *NHK*.” *Id.* at 9.

Here, because the case has only just transferred to the Northern District of California, there is no set trial date. Because claim construction briefing was already completed while the case was pending in the Western District of Texas, the case is approximately halfway to trial. And the five-year average of median time-to-trial from original filing for patent cases in the Northern District of California, excluding cases with stays, is 18 months. *See* Ex. 2002 (Docket Navigator median time-to-trial statistics for the Northern District of California, from May 2020 to present).¹

¹ Petitioner’s time-to-trial statistics are unreliable because they involve *all* civil cases, not patent cases, and because there is wide variance in time-to-trial from year to year. *See, e.g.*, 2003 at 66 (showing that the median time-to-trial for all civil cases dropped to 34.5 months for the 12-month period ending December 31, 2024, in contrast to Petitioner’s statistics showing a significantly longer 47.9 month time-to-trial for the 12-month period ending September 30, 2024 (*see* Ex. 1051 at 66)). The significant variance in Petitioner’s statistics evidences the need to rely on more than a 12-month period, which is why Patent Owner presents a 5-year

Given that the time to trial will be reduced significantly due to the prior completion of claim construction briefing, trial can be set for 9-12 months from the May 7 transfer date. And even at the higher end of that range (12 months time-to-trial from transfer), the trial date would occur approximately *four months* before the due date for a final written decision.

Accordingly, *Fintiv* factor 2 strongly weighs against institution.

C. *Fintiv* Factor 3: The parties will have invested substantially in the District Court case before any institution decision

Fintiv Factor 3 looks to “amount and type of work already completed in the parallel litigation by the court and the parties at the time of the institution decision.” *Fintiv I* at 9 (emphasis added). For example, “if, at the time of the institution decision, the district court has issued substantive orders related to the patent at issue in the petition,” this factor favors denial. *Id.* at 9-10. “Likewise, district court claim construction orders may indicate that the court and parties have invested sufficient time in the parallel proceeding to favor denial.” *Id.* at 10.

median that relates solely to patent cases. And only non-stayed cases are included, because if the case *were* hypothetically stayed pending IPR, then its time-to-trial is not relevant (because trial would necessarily occur after final written decision, regardless of what that time is). The possibility of a stay properly goes to the Factor 1 analysis, not Factor 2.

Here, an institution decision would be due by September 10, 2025. *See* 35 U.S.C. § 314 (b). Prior to the deadline for an institution decision, the parties will have invested significant resources in the parallel District Court Proceeding. For example, the parties have already served extensive infringement and invalidity contentions, and fully briefed and already had a hearing on claim construction. And although the case was only transferred on May 7, 2025 (three business days before filing of this brief), there will have been four months of additional activity by September 10, 2025. Under a typical schedule, a claim construction order will have issued, the parties will have nearly completed fact discovery, and the parties will be preparing opening expert reports by the expected date of an institution decision.

Accordingly, *Fintiv* Factor 3 weighs in favor of discretionary denial.

D. *Fintiv* Factor 4: There is substantial overlap between this IPR and the District Court proceeding.

Fintiv Factor 4 looks to “whether all or some of the claims challenged in the petition are also at issue in district court” and whether the “petition includes the same or substantially the same claims, grounds, arguments, and evidence” as the parallel district court case. *Fintiv I* at 12-13. In short, this factor evaluates “concerns of inefficiency and the possibility of conflicting decisions” when substantially identical prior art is submitted in both the district court and the IPR proceeding. *Id.* at 12. Here, the challenged claims cover all asserted claims, and the prior art relied upon in the Petition and at the District Court is substantially overlapping (with the prior

art relied upon in the District Court being far more expansive than the prior art relied upon in the Petition).

First, the Petition challenges claims 1–18, covering all claims that are asserted in the District Court Proceeding. *See* Ex. 1078 (VirtaMove’s July 12, 2024 Supplemental Infringement Contentions) at 1 (showing claims 1–5, 10, and 18 are asserted). And if institution is denied, Patent Owner stipulates that it will not assert against Google any claims of the ’058 Patent other than those already asserted against Google.

Second, there is substantial overlap between the prior art arguments presented in the Petition and arguments advanced by Petitioner in the District Court litigation. For example, Petitioner’s invalidity contentions in the District Court litigation assert that the same Callender reference relied upon in the Petition anticipates or renders obvious claims of the ’058 patent. *Compare* Petition at 1 *with* Ex. 2004 (Google’s Supplemental Invalidity Contentions) at 9.

Moreover, in addition to the fact that the sole reference nominally relied upon by Petitioner is at issue in the District Court Proceeding, Petitioner’s District Court invalidity contentions are *significantly* more expansive than the invalidity arguments set forth in the Petition. For example, Petitioner’s District Court invalidity contentions assert that the ’058 patent is anticipated or rendered obvious in view of **42** total prior art patents and applications, 11 non-patent literatures, and 5 prior art

systems. *See* Ex. 2004 at 8-14. Petitioner's District Court invalidity contentions further assert that the '058 patent claims are invalid under 35 U.S.C. § 101 and 112. *Id.* at 44-53.

The fact that all theories raised in the Petition may be raised in District Court, as well as the fact that the District Court Proceeding may involve any number of additional theories based on many dozens of additional references, raises significant "concerns of inefficiency and the possibility of conflicting decisions" (*Fintiv I* at 12), as the District Court will likely decide the validity of the '058 patent claims months prior to any Final Written Decision, based on substantially similar (and indeed far more expansive) invalidity arguments.

Furthermore, Petitioner has offered *no* stipulation to mitigate concerns of inefficiency and conflicting decisions; in fact, Petitioner reserves the right to supplement its invalidity contentions as discovery progresses. Accordingly, Petitioner will be able to pursue the *same* invalidity theories before the PTAB and the District Court, compounding the inefficiency introduced by Petitioner's extensive overreliance on expert testimony and shadow prior art references.

Petitioner would *also* be free to pursue subsequent *ex parte* reexamination petitions on grounds that could have been raised in the Petition. Thus, if the Board were to institute, Petitioner would be able to serially challenge the validity of the '058 Patent in this proceeding, in the District Court Proceeding, and in an *ex parte*

reexamination proceeding. This is the exact opposite of the efficiency contemplated when the America Invents Act introduced the *inter partes* review process as a more efficient and streamlined alternative to other invalidity challenges.

Thus, *Fintiv* Factor 4 weighs **strongly** in favor of discretionary denial.

E. *Fintiv* Factor 5: Petitioner is a defendant in in the District Court litigation.

Fintiv Factor 5 looks to “whether the petitioner and the defendant in the parallel proceeding are the same party.” *Fintiv I* at 5-6. Specifically, when “the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial.” *Fintiv II* at 15. Here, the Petitioner is a defendant in the parallel litigation.

Thus, *Fintiv* Factor 5 weighs in favor of discretionary denial.

F. *Fintiv* Factor 6: Other considerations weigh against institution.

Fintiv Factor 6 looks to “other circumstances that impact the Board's exercise of discretion, including the merits.” *Fintiv I* at 5-6. This factor also weighs heavily against institution for at least three reasons.

First, Petitioner waited nearly an entire year to file its Petition, thus making it extremely likely that even with a stay pending transfer (which has since been lifted), that the validity of the '058 patent claims will be decided in the District Court months prior to any Final Written Decision in these proceedings.

Second, contrary to Petitioner's assertions, the Petition fails to present any

compelling merits of unpatentability. The Petition does not even *allege* any anticipatory prior art under §102. Instead, the Petition relies solely on obviousness under §103 (relying on extensive expert testimony). *See* Petition at *passim*; Ex. 1003 (Bhattacharjee Decl.). Thus, the Petition only serves to highlight the novelty of the challenged claims, and the §103 prior art presented in the Petition and expert declaration (including dozens of shadow references²) fails to render the challenged claims obvious for reasons that Patent Owner will highlight in its POPR merit-based briefing, including the fact that numerous claim limitations are not disclosed by *any* of the alleged combination references.

Third, as discussed further below, “additional considerations” (as outlined in the Director’s March 26, 2025 Interim Processes for PTAB Workload Management) weigh *strongly* in favor of discretionary denial, including the Petition’s extraordinary over-reliance on expert testimony to gap-fill holes in the prior art, as well as the length of time the challenged claims have been in effect.

² While purporting to rely only on Callendar as the obviousness ground, the Petition submitted over 75 exhibits, the vast majority of which are prior art references relied upon by Petitioner’s expert in support of his conclusion of “single-reference” obviousness.

G. Additional considerations weigh in favor of discretionary denial.

In addition to the above factors, as explained in the March 26, 2025 Interim Processes for PTAB Workload Management, additional relevant considerations may weigh in favor of discretionary denial, including:

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

Here, as discussed further below: 1) no changes in the law support reconsideration of validity of the '058 patent claims; 2) the Petition is weak and is overly reliant on conclusory expert testimony; and 3) the claims have been in effect for nearly 15 years.

1. No changes in the law support reconsideration of patentability.

First, no changes in the law support reconsideration of the validity of the '058 patent claims, and Petitioner does not identify any such change.

2. The Petition is weak and overly reliant on conclusory expert testimony.

Second, the Petition is particularly weak and overly reliant on unreliable expert testimony to gap-fill holes in the prior art. For example, as discussed in the Interim Processes FAQ, “[w]hile the Board may consider expert testimony, as a matter of efficiency, extensive reliance on expert testimony and/or reasonable disputes between experts on dispositive issues may suggest that the questions are better resolved in an Article III court.” Interim Processes FAQ at numbered item 21. Thus, a “failure to provide focused expert testimony may weigh against institution.” *Id.*

Here, the Petition relies on over 100 pages of expert testimony, addressing dozens and dozens of shadow references (in support of what is purportedly a single-reference obviousness ground). *See generally* Ex. 1003. This over-reliance on expert testimony to overcome deficiencies in the disclosures of the prior art is an additional relevant consideration weighing against institution.

Given the extensive reliance of the Petition to fill gaps in the prior art, this factor weighs against institution.

3. Settled expectations weigh against institution.

The '058 patent issued in 2010 (before the America Invents Act was even signed into law), and has been in effect for nearly *fifteen years*. When the patent issued, VirtaMove was not even aware of the possibility of an IPR challenge.

Accordingly, the settled expectations of VirtaMove of being able to adjudicate its patent claims before an Article III Court weigh against institution.

H. The balance of the *Fintiv* factors favor denial.

In sum, all six *Fintiv* Factors weigh in favor of discretionary denial. Furthermore, additional relevant considerations further weigh in favor of discretionary denial. Thus, considered as a whole, the relevant facts all weigh in favor of exercising discretionary denial.

III. PARALLEL PETITIONS WEIGH AGAINST INSTITUTION.

The Board has indicated that “[a]ny other considerations bearing on the Director’s discretion” may be briefed. Here, the Board should exercise its discretion because of the extraordinary power imbalance between tech giants Google (Petitioner in this and one other IPR challenging the ’058 patent) and Amazon (another petitioner in an additional IPR challenging the ’058 patent).

Between the two Google IPRs (this IPR and IPR2025-00490) challenging the ’058 patent alone, Google has submitted over 250 pages of expert testimony attacking the validity of the ’058 patent. When combined with the fact that tech giant Amazon filed an *additional* IPR on the ’058 patent within a day of Google’s filings (see *Amazon.co, Inc. v. VirtaMove Corp.*, No. IPR2025-00561), there appears to be a coordinated attempt by technology giants with a combined several trillion dollars

of market capitalization to overwhelm relatively small VirtaMove³ in litigation expenses, separate and aside from the typical costs of litigating a patent case in a district court proceeding.

The coordination between entities challenging the '058 patent is further exemplified by Unified Patents' involvement in filing a request for *ex parte* reexamination, (*see* Ex. 1060), presumably for the benefit of large corporations such as Google and Amazon.

Given the coordinated attack on the validity of the '058 patent, the Board should exercise its discretion to avoid institution of the three parallel petitions filed by Amazon and Google. If any are instituted, they should be limited to, at most, one institution.

IV. CONCLUSION

For the foregoing reasons, Patent Owner respectfully requests that the Director exercise discretion to deny institution.

³ *See* <https://getlatka.com/companies/virtamove> (describing “[h]ow VirtaMove hit \$4.3M revenue with a 9 person team in 2024”).

Date: May 12, 2025

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CERTIFICATION REGARDING WORD COUNT

Pursuant to 37 C.F.R. §42.24(d), Patent Owner certifies that there are 3,124 words in the paper excluding the portions exempted under 37 C.F.R. §42.24(a)(1).

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

The undersigned hereby certifies that the above document was served on April May 12, 2025 by filing this document through the Patent Trial and Appeal Case Tracking System (PTACTS) as well as delivering a copy via electronic mail upon the following attorneys of record for Petitioner:

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