

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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DOT HILL SYSTEMS CORP.,  
Petitioner,

v.

CROSSROADS SYSTEMS, INC.,  
Patent Owner.

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Case IPR2015-00822  
Patent 6,425,035 B2

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Before NEIL T. POWELL, KRISTINA M. KALAN, J. JOHN LEE, and  
KEVIN W. CHERRY, *Administrative Patent Judges*.

CHERRY, *Administrative Patent Judge*.

DECISION  
Institution of *Inter Partes* Review  
*37 C.F.R. § 42.108*

Motion for Joinder  
*37 C.F.R. § 42.122(b)*

## I. INTRODUCTION

Dot Hill Systems Corp. (“Petitioner”) filed a Petition (Paper 1, “Pet.”), requesting institution of an *inter partes* review of claims 1–14 of U.S. Patent No. 6,425,035 B2 (Ex. 1001, “the ’035 patent”), which also is at issue in instituted trial proceeding IPR2014-01197 (“the ’1197 proceeding”). Petitioner concurrently filed a Motion for Joinder (Paper 4, “Mot.” or “Joinder Motion”) requesting joinder with the ’1197 proceeding. The Joinder Motion was filed within one month after institution of a trial in the ’1197 proceeding, as required by 37 C.F.R. § 42.122(b).

Crossroads Systems, Inc. (“Patent Owner”) timely filed a Preliminary Response (Paper 11, “Prelim. Resp.”) but did not file an opposition to the Joinder Motion. We have jurisdiction under 35 U.S.C. § 314.

For the reasons discussed below, we institute an *inter partes* review of claims 1, 2, 4–6, 11, 12, and 14 of the ’035 patent and grant Petitioner’s Joinder Motion.

### A. *The ’035 Patent (Ex. 1001)*

The ’035 patent relates to a storage router and method for providing virtual local storage on remote Small Computer System Interface (“SCSI”) storage devices to Fiber Channel (“FC”) devices. Ex. 1001, 1:16–19. Computing devices can access local storage through native low level, block protocols, but to access the storage on a remote network server, they must translate file system protocols into network protocols, which then are translated by the remote network server into low level requests. *Id.* at 1:37–60. A storage router can interconnect a SCSI storage transport medium and a FC high speed serial interconnect to provide access to devices on the other medium so that no network server is involved. *Id.* at 3:30–40.

The '035 patent has 14 claims, all of which are being challenged. Claims 1, 7, and 11 are the independent claims, and claim 1 is reproduced below:

1. A storage router for providing virtual local storage on remote storage devices to devices, comprising:

a buffer providing memory work space for the storage router;

a first controller operable to connect to and interface with a first transport medium;

a second controller operable to connect to and interface with a second transport medium; and

a supervisor unit coupled to the first controller, the second controller and the buffer, the supervisor unit operable to map between devices connected to the first transport medium and the storage devices, to implement access controls for storage space on the storage devices and to process data in the buffer to interface between the first controller and the second controller to allow access from devices connected to the first transport medium to the storage devices using native low level, block protocols.

*Id.* at 9:13–31.

*B. Related Proceedings*

The '035 patent is the subject of multiple district court proceedings. Pet. 3; Exs. 1009, 1026, 1034–1036, 1038; Paper 8, 2–3. Petitions in the '1197 proceeding and in IPR2014-01226 (“the '1226 proceeding”), IPR2015-00777, IPR2015-00825, and IPR2015-01063 also challenge or challenged claims of the '035 patent. *See* Paper 8, 3–4.

Further, the '035 patent belongs to a family of patents that are the subject of multiple *inter partes* review petitions, including IPR2014-01207, IPR2014-01209, IPR2014-01233, IPR2014-01463, IPR2014-01544, IPR2015-00772, IPR2015-00773, IPR2015-00776, IPR2015-00852, IPR2015-00854, IPR2015-01064, and IPR2015-01066. *See id.*

In the '1197 proceeding, we determined that petitioners Oracle Corporation; Huawei Technologies, Co., Ltd; and NetApp, Inc. demonstrated a reasonable likelihood of prevailing on the grounds that (1) claims 1, 2, 4, 11, 12, and 14 are unpatentable over Bergsten<sup>1</sup> and Hirai,<sup>2</sup> and (2) claims 5 and 6 are unpatentable over Bergsten, Hirai, and Smith<sup>3</sup>. *Oracle Corp. v. Crossroads Sys., Inc.*, Case IPR2014-01197, slip op. at 14–15 (PTAB January 29, 2015) (Paper 13, “the '1197 Dec.”).

We, however, declined to institute an *inter partes* review of (1) claims 1–14 as unpatentable over CRD-5500 User Manual<sup>4</sup>, CRD-5500 Data

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<sup>1</sup> U.S. Pat. No. 6,073,209, iss. June 6, 2000 (Ex. 1007).

<sup>2</sup> JP Patent Application Publication No. Hei5[1993]-181609, published July 23, 1993 (Ex. 1008).

<sup>3</sup> Judith A. Smith & Meryem Primmer, *Tachyon: A Gigabit Fibre Channel Protocol Chip*, 1996 HEWLETT-PACKARD J. 1–17 (Ex. 1005).

<sup>4</sup> CMD Technology, Inc., CRD-5500 SCSI RAID Controller User’s Manual, (1996) (Ex. 1003).

Sheet<sup>5</sup>, and Smith; (2) claims 1–4 and 7–14 as unpatentable over Kikuchi<sup>6</sup> and Bergsten; (3) claims 5 and 6 as unpatentable over Kikuchi, Bergsten, and Smith; and (4) claims 3, 7–10, and 13 as unpatentable over Bergsten and Hirai. *Id.* at 6–13.

### *C. Challenges*

The Petition states that “[t]his *inter partes* review petition presents challenges which are identical to those on which trial was instituted in IPR2014-01197” and “relies upon the same evidence, including the same expert declaration.” Pet. 1.

## II. DISCUSSION

### *A. Petition*

The present Petition introduces all the challenges submitted in the petition of the ’1197 proceeding, including those upon which trial was not instituted. *See also* Mot. 3 (stating “Petition copies verbatim the challenges set forth in the petition in IPR2014-01197”).

Because the Petition reintroduces the grounds upon which trial was not instituted in the ’1197 proceeding, Patent Owner responds that the Board should exercise its discretion under 35 U.S.C. § 325(d) and deny the petition because the same or substantially the same prior art or arguments previously were presented to the Office. Prelim. Resp. 8–12 (citing *NetApp, Inc. v. Personal Web Techs., LLC*, IPR2013-00319, slip op. at 2 (Paper 19) (PTAB

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<sup>5</sup> CRD-5500 RAID Disk Array Controller, (Dec. 4, 1996), <http://web.archive.org/web/19961226091552/http://www.cmd.com/brochure/crd5500.htm> (last visited July 23, 2014) (Ex. 1004).

<sup>6</sup> U.S. Pat. No. 6,219,771 B1, iss. Apr. 17, 2001 (Ex. 1006).

July 25, 2013), and *EMC Corp. v. Personalweb Tech.*, IPR2013-00082, slip op. at 33 (PTAB May 17, 2013) (Paper 21)).

Patent Owner also argues that “the Board denied institution on multiple grounds” in the ’1197 proceeding. Prelim. Resp. 12. Patent Owner asserts that the grounds contending (1) claims 1–14 are unpatentable over CRD-5500 User Manual, CRD-5500 Data Sheet, and Smith; (2) claims 1–4 and 7–14 are unpatentable over Kikuchi and Bergsten; (3) claims 5 and 6 are unpatentable over Kikuchi, Bergsten, and Smith; and (4) claims 3, 7–10, and 13 are unpatentable over Bergsten and Hirai, should be denied for the same reasons they were denied in the ’1197 proceeding. *Id.* at 13–18. We agree, and for the reasons argued by Patent Owner, *inter partes* review is instituted only for those grounds upon which trial has been instituted in the ’1197 proceeding, on the same basis given in the Decision on Institution in the ’1197 proceeding.

Patent Owner also responds that Petitioner is contractually estopped from challenging the validity of the ’035 patent because of an “Amended Settlement Agreement” (Ex. 2207). Prelim. Resp. 1, 2–6 (citing Exs. 1038, 2001, 2201–2203, 2205–2208, 2210). After considering Petitioner’s request to address Patent Owner’s contractual estoppel argument, we authorized Petitioner to file a reply to the Preliminary Response and authorized Patent Owner to file a sur-reply. Paper 13. In its Reply, Petitioner argues that the statutes and rules regarding *inter partes* reviews do not give the Board jurisdiction to consider contractual estoppel. Paper 14, 2–4 (discussing 35 U.S.C. §§ 311(a), 315(e); 42 C.F.R. § 42.73(d); 37 C.F.R. § 42.101(c); citing *Redline Detection, LLC v. Star Environtech, Inc.*, Case IPR2013-00106, slip op. at 4 (PTAB Oct. 1, 2013) (Paper 40) (“*Redline Detection*”));

*Athena Automation Ltd. v. Husky Injection Molding Sys. Ltd.*, Case IPR2013-00290, slip op. at 13 (PTAB Oct. 25, 2013) (Paper 18) (“*Athena Automation*”); *Palo Alto Networks, Inc. v. Juniper Networks, Inc.*, Case IPR2013-00369, slip op. at 11–12 (PTAB Dec. 19, 2013) (Paper 16)). Petitioner additionally contends that the agreement mandates that any dispute be brought before a court in California or Texas, and a “no-challenges clause” of the agreement is not in force. *Id.* at 4–5.

In its Sur-Reply, Patent Owner counters that Petitioner has not cited anything that would preclude the Board from considering contractual estoppel, and 35 U.S.C. § 311 “says nothing about the Board’s jurisdiction to hear any particular argument.” Paper 15, 1. Patent Owner also notes that the institution of *inter partes* review is discretionary, not mandated. *Id.* Patent Owner, thus, asserts that “nothing prohibits the Board from denying the petition because Petitioner is contractually estopped from challenging the ’035 Patent’s validity.” *Id.* Patent Owner also argues that Petitioner’s cited cases *Redline Detection* and *Athena Automation* consider assignor estoppel, a distinguishable issue, and that contractual estoppel is rooted in a public interest in enforcing settlements that is not undermined by 35 U.S.C. § 311. *Id.* at 2–4. Patent Owner further argues that Petitioner is using a venue clause as a shield, and that although the license for certain products subject to the agreement was effectively revoked, the “no-challenges clause” of the agreement remains in effect. *Id.* at 4–5.

We first consider whether contractual estoppel can be asserted as a type of affirmative defense by Patent Owner to prevent institution of an *inter partes* review. Petitioner cites two cases that determined that assignor estoppel does not prevent institution of *inter partes* review. Paper 14, 2–3.

In response, Patent Owner cited no explicit statute or rule that would compel us to deny institution of *inter partes* review because of contractual estoppel alone. Instead, Patent Owner attempts to distinguish Petitioner's cases by raising certain differences between the doctrines of assignor and contractual estoppel. Regarding the Board's authority to act, we are mindful that "an agency is a creature of statute" and "[a]ny and all authority to which an agency may act ultimately must be grounded in an express grant from Congress." *Killip v. Office of Personnel Mgmt.*, 991 F.2d 1564, 1569 (Fed. Cir. 1991). Thus, the mere fact that there are some differences between the doctrines does not address the statutory analyses conducted in Petitioner's cases that concluded that no explicit provision provides for affirmative estoppel-based defenses, such as assignor estoppel, precluding institution of an *inter partes* review. We agree with Petitioner that the statutory analyses of those cases also are applicable to contractual estoppel, and Patent Owner has failed to identify any distinction in the nature of those two defenses that would provide an explicit statutory basis for us to consider one, but not the other. *See Esselte Corp. v. Dymo*, Case IPR2015-00779, slip op. at 4–7 (PTAB Aug. 28, 2015) (Paper 13) (determining that 35 U.S.C. §§ 311, 314–316 do not provide assignor estoppel as a defense to *inter partes* review and rejecting Patent Owner's contractual bar argument for the same reasons given for its assignor estoppel arguments). Thus, based on the record before us, we are not persuaded that contractual estoppel can be asserted by Patent Owner to preclude us from instituting an *inter partes* review.

Patent Owner also argues that we should factor its contractual estoppel contentions into our determination of whether to exercise our discretion in instituting *inter partes* reviews under 35 U.S.C. § 314. Paper

15, 1. The Petition here presents challenges identical to those presented in the petition in the '1197 proceeding that we determined to have shown a reasonable likelihood of prevailing. *See* Mot. 3. Thus, Petitioner also has shown a reasonable likelihood of prevailing on the grounds upon which trial has been instituted in the '1197 proceeding. Therefore, we must determine if Patent Owner's contractual estoppel arguments would lead us nonetheless to deny institution in this case. Based on the circumstances of this case and the record before us, and by weighing the potential prejudice to each of the involved parties, we still institute *inter partes* review.

The present record indicates that, if we do not institute review in this proceeding and deny Petitioner's Joinder Motion, Petitioner would be prejudiced because it would lose its opportunity to challenge the claims of the '035 patent before the Office through joinder with the '1197 proceeding. *See* Mot. 3, 6. The present record also indicates that, if we institute review, Patent Owner would not be burdened with any additional evidence from Petitioner, as the Petitioner relies on evidence already of record in the '1197 proceeding. *See* Mot. 3, 4, 6. Also, we note that oral hearing in the '1197 proceeding, if requested, is less than two months away, and the depositions of experts have been completed. '1197 proceeding, Paper 23. All evidence, thus, should be entered into the record of the '1197 proceeding at this point.

Even if Petitioner were barred from filing the present Petition for *inter partes* review challenging the '035 patent, Patent Owner would still be in the position of defending the claims of the '035 patent with the evidence presently of record in the '1197 proceeding. Any potential prejudice to Patent Owner due to institution in this proceeding and joinder of Petitioner in an "understudy" role to the '1197 proceeding does not outweigh the

prejudice to Petitioner of losing its opportunity to challenge the claims of the '035 patent before the Office. *See* Mot. 3–4, 8. Finally, the petitioners in the '1197 proceeding do not oppose the joinder of Dot Hill, and, thus, we perceive no prejudice to those petitioners. *See* Mot. 3.

Accordingly, based on the present record and circumstances of this case, a weighing of the potential prejudices to all the involved parties in this and the '1197 proceedings indicates we should exercise our discretion under 35 U.S.C. § 314 to institute an *inter partes* review in this proceeding, and, for the reasons argued by Patent Owner, *inter partes* review is instituted only for those grounds upon which trial has been instituted in the '1197 proceeding, on the same basis given in the Decision on Institution in the '1197 proceeding.

*B. Joinder Motion*

Under 35 U.S.C. § 315(b), institution of *inter partes* review is barred when a petition is filed more than one year after the petitioner is served with a complaint alleging infringement of the patent. 35 U.S.C. § 315(b); 37 C.F.R. § 42.101(b). The one-year time bar, however, does not apply to a request for joinder. 35 U.S.C. § 315(b); 37 C.F.R. § 42.122(b).

The statutory provision governing joinder of *inter partes* review proceedings is 35 U.S.C. § 315(c), which reads as follows:

(c) JOINDER.—If the Director institutes an *inter partes* review, the Director, in his or her discretion, may join as a party to that *inter partes* review any person who properly files a petition under section 311 that the Director, after receiving a preliminary response under section 313 or the expiration of the time for filing such a response, determines warrants the institution of an *inter partes* review under section 314.

In a “Statement of Material Facts,” Petitioner states that it “was served with a complaint asserting infringement of U.S. Patent No. 6,425,035 more than one year before filing the Petition.” Mot. 3; *see also* Ex. 1038 (alleging Petitioner infringed the ’035 patent in “Count Two”), Ex. 2200 (alleging Petitioner infringed the ’035 patent in “Count 2”). Thus, absent joinder of Petitioner in this proceeding as a party to the ’1197 proceeding, the Petition would be barred.

Petitioner argues that it meets the requirements for joinder. Mot. 5–9. Specifically, Petitioner argues that joinder is appropriate because it would promote the efficient determination of the ’035 patent’s validity, adds no complexity because Petitioner raises the same grounds as in the ’1197 proceeding, would not impact materially the schedule in the ’1197 proceeding, and briefing and discovery would not be expanded because Petitioner would take an “understudy role.” *Id.* Petitioner states that the “Petition presents challenges that are identical to those on which trial was instituted in IPR2014-01197” and “copies verbatim the challenges set forth in the petition in IPR2014-01197.” *Id.* at 3. Patent Owner did not file an opposition to the Joinder Motion.

Joinder may be authorized when warranted, but the decision to grant joinder is discretionary. 35 U.S.C. § 315(c); 37 C.F.R. § 42.122(b). The Board determines whether to grant joinder on a case-by-case basis, taking into account the particular facts of each case. *See* 157 Cong. Rec. S1376 (daily ed. Mar. 8, 2011) (statement of Sen. Kyl) (when determining whether and when to allow joinder, the Office may consider factors including the breadth or unusualness of the claim scope, claim construction issues, and consent of the patent owner). When exercising that discretion, the Board is

mindful that patent trial regulations, including the rules for joinder, must be construed to secure the just, speedy, and inexpensive resolution of every proceeding. 37 C.F.R. § 42.1(b).

Based on the facts and circumstances discussed above, Petitioner has established good cause for joining this proceeding with the '1197 proceeding. Joinder of this proceeding with the '1197 proceeding will not require any delay or modification to the scheduling order already in place for the '1197 proceeding. Patent Owner will not be unduly prejudiced by the joinder of these proceedings, and joining Petitioner's identical challenges to those in the '1197 proceeding will lead to greater efficiency while reducing the resources necessary from both Patent Owner and the Board. Thus, we conclude that granting the Joinder Motion under these circumstances would help "secure the just, speedy, and inexpensive resolution" of these proceedings. *See* 37 C.F.R. § 42.1(b); *Microsoft Corp. v. Proxyconn, Inc.*, Case IPR2013-00109, slip op. at 2–3 (PTAB Feb. 23, 2013) (Paper 15) (representative).

### III. ORDER

Accordingly, it is:

ORDERED that pursuant to 35 U.S.C. § 314, an *inter partes* review in IPR2015-00822 is hereby instituted for claims 1, 2, 4–6, 11, 12, and 14 of the '035 patent on the following grounds under 35 U.S.C. § 103 that:

(1) claims 1, 2, 4, 11, 12, and 14 are unpatentable over Bergsten and Hirai and

(2) claims 5 and 6 are unpatentable over Bergsten, Hirai, and Smith;

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FURTHER ORDERED that the Joinder Motion is *granted*;

FURTHER ORDERED that IPR2015-00822 is hereby joined with IPR2014-01197;

FURTHER ORDERED that the grounds of unpatentability on which trial was instituted in IPR2014-01197 are unchanged and remain the sole grounds on which trial has been instituted;

FURTHER ORDERED that the Revised Scheduling Order entered in IPR2014-01197 (Paper 23) is unchanged and shall govern the schedule of the joined proceeding;

FURTHER ORDERED that Oracle, NetApp, Huawei, and Dot Hill will file all papers jointly in the joined proceeding as consolidated filings, and will identify each such paper as “Consolidated;” papers filed on behalf of fewer than all four parties need not be marked “Consolidated”;

FURTHER ORDERED that IPR2015-00822 is terminated under 37 C.F.R. § 42.72, and all further filings in the joined proceeding are to be made in IPR2014-01197;

FURTHER ORDERED that a copy of this Decision will be entered into the record of IPR2014-01197; and

FURTHER ORDERED that the case caption in IPR2014-01197 shall be modified to reflect joinder with this proceeding in accordance with the attached example.

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PETITIONER:

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*Example Case Caption for Joined Proceeding*

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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ORACLE CORPORATION, NETAPP INC.,  
HUAWEI TECHNOLOGIES CO., LTD.,  
and DOT HILL SYSTEMS CORP.,  
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v.

CROSSROADS SYSTEMS, INC.,  
Patent Owner.

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Case IRP2014-01197<sup>1</sup>  
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<sup>1</sup> Case IPR2015-00822 has been joined with this proceeding.