

**IN UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE PATENT TRIAL AND APPEAL BOARD**

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SAMSUNG ELECTRONICS CO., LTD. AND  
SAMSUNG ELECTRONICS AMERICA, INC.

Petitioners,

v.

MAXELL, LTD.,  
Patent Owner

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**Case: IPR2024-00867**

**U.S. Patent No. 10,176,848**

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**PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW**

Mail Stop **Patent Board**  
Patent Trial and Appeal Board  
U.S. Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450

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## PATENT OWNER’S EXHIBIT LIST

<b>Description</b>	<b>Exhibit #</b>
1st Amended Docket Control Order from District Court Litigation	2001
Original Docket Control Order from District Court Litigation	2002
Maxell’s Supplemental Preliminary Election of Asserted Claims	2003
Defendants’ Preliminary Election of Prior Art	2004
U.S. Patent Application No. 2009/0135269	2005
U.S. Patent No. 8,488,847	2006
Samsung invalidity contentions (Gallagher)	2007
Samsung invalidity contentions (Nakashima)	2008
U.S. Patent Application No. 2007/0098303	2009
U.S. Patent Application No. 2007/0019083	2010
CNET Iphone Article	2011
MacRumors Article	2012
CNET iPhone Face ID Article	2013
iPhone User Guide IOS 12—Find people in Photos	2014
iPhone User Guide IOS 18—Find people in Photos	2015
iPhone User Guide IOS 13—Find people in Photos	2016
iPhone User Guide IOS 14—Find people in Photos	2017
iPhone User Guide IOS 15—Find people in Photos	2018
iPhone User Guide IOS 16—Find people in Photos	2019
iPhone User Guide IOS 17—Find people in Photos	2020
Apple Support—Use the People & Pets Album	2021
Google Photos Help—Set up & manage your face groups	2022
Microsoft Support—Group photos by faces	2023
Amazon Help & Customer Service—Learn More about image tagging in Amazon Photos	2024
Nikon Press Release	2025
JP No. 2008-130678	2026
U.S. Patent No. 9,159.368	2027
PC Mag Dictionary	2028
McGraw-Hill Dictionary	2029

Declaration of Ravin Balakrishnan, Ph.D.	2030
Deposition of Benjamin B. Bederson (January 23, 2025)	2031

## **I. INTRODUCTION**

Patent Owner requests Director Review of the Board's decision on institution because the Board abused its discretion by failing to analyze the *Fintiv* factors. The Board's institution decision also implicates important issues of law and policy insofar as it ignored Patent Owner's 35 U.S.C. §314(a) arguments based on the now-abrogated "Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation" ("2022 Guidance Memo").

Abrogation of the 2022 Guidance Memo signals an important policy emphasis from the Office that AIA Post-Grant Proceedings must be an "effective and efficient alternative" to litigation. Here, full consideration of the *Fintiv* factors in this proceeding illustrates that this proceeding is neither effective nor efficient in light of the imminent District Court Litigation trial set for May 2025, five months prior to when a Final Written Decision would issue in this proceeding.

## **II. THERE IS GOOD CAUSE FOR AN EXTENSION OF THE 37 C.F.R. §42.71(D)(1) TIME PERIOD**

Patent Owner respectfully requests the Director grant an extension to the time period set forth in 37 C.F.R. §42.71(d). The time for filing a request for rehearing is within fourteen days of institution of trial. 37 C.F.R. §42.71(d)(1). However, such requirements may be waived. 37 C.F.R. §42.5(b). In addition, "[a] late action *will* be excused on a showing of good cause or upon a Board decision that consideration on

the merits would be in the interests of justice.” 37 C.F.R. §42.5(c)(3) (emphasis added).

Here, both good cause and the interests of justice warrant Director Review. On February 28, 2025, the Patent Office rescinded the 2022 Guidance Memo that formed the basis of the Board's rejection of Patent Owner's 35 U.S.C. §314(a) arguments set forth in the Preliminary Response. *See* Paper 9 at 11-12. As a result, the basis for that rejection (and institution) was necessarily faulty and Patent Owner's arguments as to *Fintiv* were overlooked because of the Board's reliance on the 2022 Guidance Memo and failure to address all of the *Fintiv* factors.<sup>1</sup>

Good cause exists for an extension of the 37 C.F.R. §42.71(d) time period and the Director to revisit the institution decision through Director Review. The recent notice is binding on the Board. *See Brunswick Corp. v. Volvo Penta of the Ams., LLC*, IPR2020-01512, Paper 15 at 36 (P.T.A.B. Mar. 11, 2021) (noting the binding effect of Director guidance); *cf. Mass. Fair Share v. L. Enf't Assistance Admin.*, 758 F.2d 708, 711 (D.C. Cir. 1985) (“It has long been settled that a federal agency must

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<sup>1</sup> Patent Owner previously requested Director Review of the Institution Decision and it was denied. *See* Papers 11 and 13. However, that request was made prior to the abrogation of the Guidance Memo and thus Patent Owner submits that more than one request for Director Review on this narrow issue is in the interests of justice.

adhere firmly to self-adopted rules by which the interests of others are to be regulated.”). And the new guidance clarifies the law as it has existed since *Fintiv* issued.

The new guidance thus must be applied in the present proceeding, even if doing so would require retroactive denial of a previously granted petition. *See, e.g., Alliant Energy Corp. v. F.E.R.C.*, 253 F.3d 748, 753 (D.C. Cir. 2001) (agency clarifications of existing law apply retroactively in administrative adjudications). Indeed, the Board has applied binding director guidance to proceedings initiated before the guidance issued. *See MED-EL Elektromedizinische v. Advanced Bionics AG*, IPR2020-01016, Paper 42 at 43-44 (P.T.A.B. Mar. 31, 2022); *cf. Google Inc. v. Intellectual Ventures II LLC*, IPR2014-00787, Paper 61 (P.T.A.B. July 31, 2018) (applying SAS retroactively to modify institution decision issued four years before SAS).

The Board possesses “inherent authority to reconsider [its] decisions” based on intervening clarifications in the law. *GTNX, Inc. v. INTTRA, Inc.*, 789 F.3d 1309, 1313 (Fed. Cir. 2015) (quoting *Tokyo Kikai Seisakusho, Ltd. v. United States*, 529 F.3d 1352, 1360 (Fed. Cir. 2008)); *see also Sand Revolution II, LLC v. Continental Int’l Grp.-Trucking LLC*, No. IPR2019-01393, Paper 31 at 5-6 (P.T.A.B. July 9, 2020); *Comcast Cable Comm., LLC v. Realtime Adaptive Streaming LLC*, IPR2019-00760, Paper 45 (PTAB Jan. 17, 2020) (granting-in-part patent owner’s motion to

terminate an instituted *inter partes* review in view of the intervening precedential decision in *GoPro, Inc. v. 360Heros, Inc.*, IPR2018-01754, Paper 38 (PTAB Aug. 23, 2019) (precedential))

As such, per 37 C.F.R. §42.5(c)(3), the abrogation of the 2022 Guidance Memo is good cause for consideration of Patent Owner's request for Director Review, and reevaluation of Patent Owner's 35 U.S.C. §314(a) argument is in the interests of justice.

### **III. STATEMENT OF RELIEF REQUESTED**

Patent Owner respectfully requests an extension of the 37 C.F.R. §42.71(d) time period and Director Review of the Board's institution decision because the Board misapprehended or overlooked the arguments made by Patent Owner pursuant to 35 U.S.C. §314(a) by ignoring said arguments in light of the now-abrogated 2022 Guidance Memo. This request also implicates important issues of law and policy.

### **IV. LEGAL STANDARD**

"Requests for Director Review of a Board's decision on institution under 35 U.S.C. §§ 135, 314, or 324, or decisions granting rehearing of such a decision, shall be limited to decisions presenting (a) an abuse of discretion, (b) important issues of law or policy, (c) erroneous findings of material fact, or (d) erroneous conclusions of law. Both discretionary and merits-based issues may be raised, subject to limitations (a)–(d) above. The Director Review process provides a mechanism to



correct errors at the institution stage, for example, to avoid unnecessary trials for patent owners.” USPTO, Director Review Process, Sec. 2.B., <https://www.uspto.gov/patents/ptab/decisions/director-review-process#RIDRP> (updated March 5, 2025).

## V. ARGUMENT

The Board rejected Patent Owner's arguments under 35 U.S.C. §314(a) by finding, “[g]iven that the language of Petitioner's stipulation substantially tracks the stipulation language set out in the Guidance Memo, we decline to exercise discretion under 35 U.S.C. § 314(a) to deny institution.” Paper 9 at 11-12. However, in light of abrogation of the 2022 Guidance Memo (<https://www.uspto.gov/about-us/news-updates/uspto-rescinds-memorandum-addressing-discretionary-denial-procedures>), the Board abused its discretion by not holistically weighing the factors as set forth in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential).

In relying on the 2022 Guidance Memo (and the Memo's instruction regarding *Sotera* stipulations), the Board ignored other *Fintiv* factors that clearly weigh in favor of discretionary denial. For example, as set forth in Patent Owner's Preliminary Response, all factors weigh heavily in favor of discretionary denial.

**A. Application of the *Fintiv* Factors Weighs Heavily in Favor of Revisiting and Denying Institution**

One of the purposes of IPRs is to be an “effective and efficient alternative” to litigation. *Gen. Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 16-17 (PTAB Sept. 6, 2017) (precedential). Here, this proceeding is not an effective or efficient alternative to litigation, particularly given the stage of the co-pending District Court case *Maxell, Ltd. v. Samsung Electronics Co. Ltd. et al.*, No. Case No. 5:23-cv-00092 (E.D. Tex.) (“District Court Litigation”) and the finite resources of the Board.

**1. No Stay of the Parallel District Court Litigation**

There is no stay of the parallel District Court Litigation. The statutory deadline for institution was after the close of fact discovery and after the Court conducted a *Markman* hearing. EX2001. Such facts make it unlikely that the District Court Litigation will be stayed. *See Intell. Ventures II v. FedEx Corp.*, No. 2:16-cv-00980-JRG, Dkt. 141 at 5 (E.D. Tex. Oct. 24, 2017). The Board failed to weigh this factor in its Institution Decision.

Factor 1 weighs in favor of denying institution.

**2. Proximity of the District Court's Trial Date**

The proximity of the District Court Litigation's trial date to the Board's projected statutory deadline for a Final Written Decision strongly weighs in favor of discretionary denial. The parties' trial is scheduled for May 19, 2025. EX2002

(Original Docket Control Order). Pursuant to 35 U.S.C. §§ 314(b)(1) and 316(a)(11), the projected statutory deadline for a Final Written Decision of this Petition is November 7, 2025, **nearly six months after trial**. 35 U.S.C. §314(b)(1). As the District Court's trial will occur nearly six months before the projected statutory deadline, factor 2 weighs strongly in favor of denying institution. *See Samsung Elecs. Am., Inc. v. Uniloc 2017 LLC*, IPR2019-01218, Paper 7, at 7-10 (P.T.A.B. Jan. 7, 2020) (denying institution where jury selection was scheduled for approximately six months before trial in the Board proceeding would conclude); *Next Caller Inc. v. TrustID, Inc.*, IPR2019-00961, 00962, Paper 10, at 8-16 (P.T.A.B. Oct. 16, 2019) (denying institution where trial was scheduled to conclude "several months," before a final decision would be due). The Board failed to weigh this factor in its Institution Decision.

Factor 2 weighs heavily in favor of denying institution.

### **3. Significant Investment in the Parallel Proceeding**

The parties' investment in the parallel proceeding weighs in favor of discretionary denial. At the time of the filing of the Preliminary Response, the Court had already conducted a *Markman* Hearing (Dkt. 84). Discovery was also well under way, and fact discovery including depositions of numerous foreign inventors and foreign engineers were completed by October 29, 2024, prior to the Institution Decision. The parties have already exchanged infringement contentions pursuant to

P.R. 3-1, and invalidity contentions pursuant to P.R. 3-3, and a trial date is set for May 19, 2025. EX2001. Thus, the parties' and Court's substantial investment in this proceeding weighs in favor of denial of institution under this factor. *10X Genomics, Inc. v. President and Fellows of Harvard College*, IPR2023-01299, Paper 15, at 17-18 (P.T.A.B. March 7, 2024) (finding, under similar facts, that the parties have made a substantial investment in the parallel proceeding as of the time of the Institution Decision). The Board failed to weigh this factor in its Institution Decision.

Factor 3 weighs heavily in favor of denying institution.

**4. Significant Overlap Between Issues Raised In The Petition And In The District Court Litigation**

At the time of the Preliminary Response, the issues in this proceeding were substantially the same as in the District Court Litigation. Here, Petitioner asserts that Claims 11, 12, 16, 17, 19, 20, and 84 of the '848 Patent are unpatentable. Pet. at 1. These claims include the asserted claims against Petitioner in the District Court Litigation. Not only will the District Court Litigation conclude long before this proceeding, but it will also resolve the invalidity arguments that Petitioner raises in the instant Petition. The prior art references relied on in this proceeding are the same, or substantially the same, as those at issue in the District Court Litigation. Additionally, the challenged claims are substantially the same as those asserted in the District Court Litigation. *See* EX2003.

After Patent Owner's Preliminary Response, Petitioner submitted a *Sotera* stipulation. Paper 8. However, even when petitioner files a *Sotera* stipulation, it is not dispositive of whether the Board should deny institution under *Fintiv*. Rather, the Director has clarified that the Board should consider any such stipulation as just one non-dispositive factor in connection with all other circumstances of the case, just like the Board has done previously. *See e.g., Cisco Systems, Inc. v. Estech Systems, Inc.*, IPR2021-00333, Paper No. 12 at 12-13 (P.T.A.B. July 7, 2021) (denying institution under *Fintiv* based on holistic analysis of all factors even when petitioner filed a *Sotera* stipulation because the Board was "not persuaded ... the stipulations proffered here are sufficient when weighed against the other factors"). In relying on the 2022 Guidance Memo, the Board unduly weighed Petitioner's *Sotera* stipulation in light of the other factors.

Regardless, even the state of the evidence at Institution renders factor 4 at least neutral if not favorable to denial of institution.

**5. The Parallel District Court Litigation and The Petition Involve the Same Parties**

Petitioners are parties to the District Court Litigation. The Board failed to weigh this factor in its Institution Decision.

Factor 5 weighs in favor of discretionary denial.

## **6. Other Factors Favor Discretionary Denial**

Petitioner never identifies any factors which weigh against discretionary denial. Pet. at 57. Although as argued in the Preliminary Response the Petition fails to present a strong case on the merits, let alone a “compelling meritorious challenge,” the “compelling meritorious challenge” analysis is an artifact of the abrogated 2022 Guidance Memo. As such, factor 6 weighs in favor of discretionary denial.

Thus, when balancing the *Fintiv* factors holistically, the Petition should be denied pursuant to 35 U.S.C. §314(a).

## **VI. CONCLUSION**

Patent Owner respectfully requests that the Director grant review and deny Institution.

Dated: March 10, 2025

Respectfully submitted,

/Robert G Pluta Reg No 50970 /  
Robert G. Pluta (Reg. No. 50,970)  
MAYER BROWN LLP  
71 S. Wacker Drive  
Chicago, IL 60606  
Telephone: (312) 701-8641  
Fax: (312) 706-8144  
[rpluta@mayerbrown.com](mailto:rpluta@mayerbrown.com)

Saqib J. Siddiqui (Reg. No. 68,626)  
MAYER BROWN LLP  
1999 K Street NW  
Washington, D.C., 20006  
[ssiddiqui@mayerbrown.com](mailto:ssiddiqui@mayerbrown.com)  
*Counsel for Maxell, Ltd.*

**CERTIFICATE OF SERVICE**

I hereby certify that on this 10th day of March, 2025, a copy of the attached **REQUEST FOR DIRECTOR REVIEW**, was served by electronic mail to the attorneys of record, at the following addresses:

James Heintz  
[Jim.Heintz@us.dlapiper.com](mailto:Jim.Heintz@us.dlapiper.com)

Gianni Minutoli  
[Gianni.Minutoli@us.dlapiper.com](mailto:Gianni.Minutoli@us.dlapiper.com)

With a courtesy copy by electronic mail to:

[dla-samsung-maxell@us.dlapiper.com](mailto:dla-samsung-maxell@us.dlapiper.com)

Respectfully submitted,

Date: March 10, 2025

By: /Robert G Pluta Reg No 50970/  
Robert G. Pluta (Reg. No. 50,970)

*Counsel for Maxell, Ltd.*