

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AT&T SERVICES INC., CELLCO PARTNERSHIP D/B/A VERIZON
WIRELESS, AND NOKIA OF AMERICA CORPORATION,
Petitioner,

v.

RIGHTQUESTION, LLC,
Patent Owner.

Case IPR2025-00361
Patent 11,856,132

**PATENT OWNER'S BRIEF
IN SUPPORT OF DISCRETIONARY DENIAL**

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I. INTRODUCTION

Pursuant to Acting Director Stewart’s March 26, 2025 Memorandum titled “Interim Processes for PTAB Workload Management” (“March 26, 2025 Memorandum”), Patent Owner RightQuestion, LLC (“RightQuestion”) respectfully requests that the Director exercise her discretion and deny institution of petitioner AT&T Services Inc., Cellco Partnership D/B/A Verizon Wireless, and Nokia of America Corporation’s (collectively “Petitioner”) Petition for *inter partes* review of U.S. Patent No. 11,856,132.¹

¹ For the Director’s convenience, Patent Owner notes that it is concurrently filing substantially similar briefs showing that discretionary denial should be granted in all three IPRs filed by Petitioner against Patent Owner, including this one (*i.e.*, IPR2025-00360, IPR2025-00361, and IPR2025-00362). All three patents in these cases, which were filed by Petitioner in a span of three days, were originally asserted against Petitioner in the parallel District Court proceedings, although claims concerning the ’009 patent were dismissed without prejudice against Petitioner Verizon but remain against Petitioner AT&T in the parallel litigation. The facts overwhelmingly supporting discretionary denial are similar

Patent Owner respectfully submits that the facts of these proceedings overwhelmingly support discretionary denial, under the March 26, 2025 Memorandum, *NHK-Fintiv*, and the principles and policies underlying them.

Most notably, trial in the parallel District Court action, between the same parties and in which Petitioner is challenging the validity of the same patent, is scheduled to *begin* at approximately the same time as any potential trial would even be instituted. Indeed, *the decision whether to institute this IPR is due only five days before trial is set to start in District Court between the same parties on the same patent.* And that would be the beginning, not the end, of the trial in the IPR, which would continue for still another year and could be extended for good cause for another six months. Moreover, there are no unusual facts that would cast any doubt upon this overwhelming head start: the District Court action before

for all three IPRs, including the district court trial date and the negligible likelihood of a stay.

The limited differences between the three petitions, due to differences in the subject matter of the three patents-at-issue, are addressed in particular sections. For example, the subject matter overlap between the grounds in each of the three petitions, and the District Court Litigation, is addressed in Section II.D.

Judge Gilstrap is already far along, there is no indication that it will be stayed, and the trial date has not changed despite several adjustments to the pretrial schedule.

This nearly *twelve-month* head start is so large that it is all but dispositive. Under the March 26, 2025 Memorandum, it is standard practice to deny institution even when the District Court's head start is a modest fraction of this. This was true even before the March 26, 2025 Memorandum, and it applies with even greater force under the current policy. Current Office policy is that the efficiencies gained by avoiding parallel proceedings in District Court and IPR can weigh all but dispositively in favor of discretionary denial. It follows that the efficiencies gained by avoiding subsequent proceedings in IPR *after* proceedings in District Court should dispositively favor denial—and here, pretrial investment in District Court is scheduled to complete before any trial in IPR even begins. For these and other reasons, the Director should exercise discretion to deny institution.

For the Director's convenience, this brief will begin with a discussion of the express *NHK-Fintiv* factors, because they should be dispositive. *Infra* Section II. Next, this brief will address additional factors supporting discretionary denial, including those expressly listed in the March 26, 2025 Memorandum. *Infra* Section III.

II. *FINTIV'S* FACTORS OVERWHELMINGLY SUPPORT EXERCISE OF THE DISCRETION TO DENY INSTITUTION UNDER § 314(a).

Given the facts, particularly the advanced stage of the parallel district court litigation between Petitioner and Patent Owner, including an imminent trial date, the Director should exercise her discretion to deny institution of the Petition under 35 U.S.C. § 314(a).

Institution of an *inter partes* review is entirely at the discretion of the Director. *See* 35 U.S.C. § 314(a); *Harmonic Inc. v. Avid Tech.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“[T]he PTO is permitted, but never compelled, to institute an IPR proceeding.”). Historically, when the Board has determined that proceeding with an *inter partes review* in parallel with district court litigation “is an inefficient use of [the Board’s] time and resources,” it has exercised its discretion to deny. *See NHK Spring Co. v. Intri-Plex., Inc.*, IPR2018-00752, Paper 8, 11 (Sep. 12, 2018) (precedential). In determining whether, in view of the parallel litigation, “efficiency and integrity of the system are best served by denying or instituting review,” the Board balances the following factors expressly listed in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, 5-6 (Mar. 20, 2020) (precedential) (“*Fintiv (precedential)*”):

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; and

5. whether the petitioner and the defendant in the parallel proceeding are the same party[.]

In addition to these five specific factors, *Fintiv* notes in sixth place that “other circumstances that impact the Board’s exercise of discretion, including the merits,” may also support discretionary denial. *Id.* These circumstances will be addressed in the next Section. *Infra* Section III.

In the present case the five express *Fintiv* factors, as well as a consideration of “other circumstances,” all weigh in favor of discretionary denial, and collectively overwhelmingly do so, as shown below.

A. *Fintiv* Factor 1: The District Court Has Not Granted A Stay, Nor Is There Any Evidence That A Stay Might Be Granted.

Factor 1 examines “whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted.” *Id.*, 6. Factor 1 weighs against institution.

In the parallel district court litigation, no stay has been issued. Petitioner has not requested a stay, or even an adjustment of the trial date.

Even if a stay were to be requested (despite there being no evidence that one will be requested), due to the very advanced stage of the district court litigation (as further discussed below in connection with *Fintiv* factor 3), and the scheduled jury trial that would precede any final written decision by almost one year (as further discussed below in connection with factor 2), there is no evidence of any reasonable likelihood that such a stay would be granted. Petitioner does not present any evidence supporting any inference that a stay, if requested, would be granted. 00360 Pet., 77; 00361 Pet., 76; 00362 Pet., 77. Instead, everything in the record is to the contrary. The District Court has already issued a claim construction order. Ex. 2001 [Markman-Order]. Fact discovery under the District Court trial schedule is already complete. Ex. 2002 [5th-Amended-Docket-Control-Order] 5. By the time Patent Owner's Preliminary Response is due, expert discovery is scheduled to also already be complete, and by the time any potential IPR trial were to be anticipated to begin, jury selection in the District Court is scheduled to be getting underway. *Id.*, 2-4. In circumstances with such timing, as the Board has recognized, Judge Gilstrap has stated in the past that granting a stay pending instituted IPRs would be prejudicial to patent owners. *See, e.g., Samsung Elecs. Co. v. Clear Imaging Res.*, IPR2020-01401, Paper 12, 10-11 (Feb. 17, 2021)

(*per curiam*) (“*Clear Imaging*”) (finding that Factor 1 favors discretionary denial, and denying institution); *see also Sand Revolution II, LLC v. Continental Intermodal Group—Trucking LLC*, IPR2019-01393, Paper 24, 7 (June 16, 2020) (informative) (“*Sand Revolution IP*”) (“In the absence of specific evidence, we will not attempt to predict how the district court in the related district court litigation will proceed”).

In fact, the record shows that granting a stay in such circumstances is particularly unlikely for the judge overseeing these particular District Court proceedings, whose past practice shows that he denies stay requests in such circumstances. *See, e.g., TQ Delta, LLC v. CommScope Holding Co.*, No. 2:21-cv-00310-JRG, 2022 WL 16720195, at *13 (E.D. Tex. Nov. 4, 2022) (Gilstrap, J.) (denying stay pending IPR where claim construction and fact discovery complete and expert discovery would soon close); *Solas OLED Ltd. v. Samsung Display Co.*, No. 2:19-cv-00152-JRG, 2020 WL 4040716, at *7 (E.D. Tex. July 17, 2020) (Gilstrap, J.) (denying stay pending IPR where claim construction and discovery complete); *Oyster Optics, LLC, v. Infierna Corp.*, No. 2:19-CV-00257-JRG, Dkt. 87 at 4–5 (E.D. Tex. July 17, 2020). *See also* Ex. 2003 [2016-Says-Report] 27 (stating: “In the US District Court for the Eastern District of Texas, moving to stay pending IPR [prior to an institution decision] is an uphill battle regardless of the judge[,] . . . [b]ut . . . near impossible in front of Judge Gilstrap”). It is hardly

surprising, therefore, that Petitioner in this case has neither sought a stay nor attempted to show that there is any chance of a stay.

Petitioner disagrees that Factor 1 favors discretionary denial. 00360 Pet., 77; 00361 Pet., 76; 00362 Pet., 77. But its arguments are makeweight. Petitioner argues, citing the informative *Sand Revolution II* decision, that “Factor 1 is neutral because no request for stay has been filed in the District Court Litigation.” Pet., 77 (citing *Sand Revolution II, supra*, 7). Petitioner overreads *Sand Revolution II*. In *Sand Revolution II*, no stay had been requested or ordered in the related district court litigation. The Board did not find that Factor 1 was neutral because no stay had been requested or ordered. Rather, the Board held that “in the absence of specific evidence,” the Board would not attempt to determine how the district court would proceed, and therefore they would not weigh this factor either way. *Sand Revolution II*, 7.

In the present case, unlike in *Sand Revolution II*, the record contains evidence demonstrating that even *if* a stay were requested it is unlikely to be granted here. The *Fintiv* precedential decision noted that “the district court, in considering a motion for stay, may consider similar factors related to the amount of time already invested by the district court and proximity of the trial date to the Board’s deadline for a final written decision,” and “that more work completed by the parties and court in the parallel proceeding tends to support the arguments that

the parallel proceeding is more advanced, a stay may be less likely, and instituting would lead to duplicative costs.” *Fintiv (precedential)*, 7-8 & n. 12; *id.*, 10. Here, as described in connection with *Fintiv* Factor 2 below, there has been more than significant investment in the parallel proceeding and the trial date is scheduled for almost one full year before any final written decision would be due—indeed, the decision whether to institute trial in this case is due only *five days before* the federal District Court jury trial between the same parties on the validity of the same patent is set to begin. *Infra* Section II.B. As evidenced by the cases collected in *Fintiv*, the court will not usually stay a case at such a late stage. *Fintiv (precedential)*, 7-8 & n.12; *see Clear Imaging, supra*, 10-11 (finding that Factor 1 favored discretionary denial, citing specific evidence concerning Judge Gilstrap’s prior positions concerning stay).

Petitioner should not be entitled to pretend that Factor 1 is neutral in this case simply because they have avoided asking for a stay. If Petitioner desires a stay, Petitioner can ask for one. But no stay has been granted or requested. And for good reason, since, as shown above, even if a stay was requested it is unlikely to be granted.

Factor 1 weighs in favor of denying institution.

B. *Fintiv* Factor 2: The District Court Trial Is Scheduled To Occur Nearly *One Year* Before A Final Written Decision In This IPR.

This case features such an overwhelming head start, of nearly one year, for the District Court trial over any potential IPR trial before the PTAB that this factor should be dispositive or all but dispositive.

“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*.” *Fintiv (precedential)*, 9. The present case is an overwhelming example. Based on the April 15, 2025 Notice of Filing Date in this IPR (Paper 7), the projected statutory deadline for the final written decision in this IPR is October 15, 2026, which could be extended to April 15, 2027. *See* 37 C.F.R. § 42.100(c). Meanwhile, the District Court Litigation has a trial date scheduled for October 20, 2025, **almost one year earlier**. *Ex. 2002 [5th-Amended-Docket-Control-Order]* 2. Factor 2 overwhelmingly weighs against institution.

1. Office Practice Clearly Supports That Factor 2 Supports Denial When The Court Trial Is Nearly 1 Year Before Any IPR Trial.

Needless to say, the Office has repeatedly held that a district court trial date that precedes a final written decision deadline by nearly a year weighs against institution and warrants discretionary denial. *See, e.g., Apcon, Inc. v. Gigamon Inc.*, IPR2020-01583, Paper 9, 11 (Mar. 16, 2021) (“*Gigamon*”) (denying

institution, finding a jury trial scheduled for “almost one year before the projected statutory deadline” for a final written decision in this proceeding weighs in favor of exercising discretion to deny institution); *Supercell Oy v. GREE, Inc.*, IPR2020-01628, Paper 9, 8-9 (Feb. 17, 2021) (“*GREE*”) (denying institution, finding that an IPR final written decision that would be “due twelve months after the currently scheduled trial date in the parallel district court proceeding” weighs in favor of denying institution). This is not a close question.

Consequently, even if the trial date in the District Court were to slip by, for example, even as much as a month or even two months in such cases, the Office has found that *Fintiv* Factor 2 ***continues*** to weigh in favor of denial of institution, and has denied institution. *E.g.*, *T-Mobile USA, Inc. et al v. Wireless Alliance, LLC*, IPR2024-00607, Paper 16, 10-11 (Sep. 10, 2024) (denying institution, finding that the district court’s set trial date for “over 10 months before the final written decision in this IPR would be due” favored discretionary denial); *Cisco Sys., Inc. v. Monarch Networking Sols. LLC*, IPR2020-01678, Paper 9, 7 (Mar. 31, 2021) (“*Cisco*”) (denying institution, find that the current trial date set for “approximately ten months before the projected statutory deadline for a final written decision” favors denying institution); *NeoGenomics Labs., Inc. v. Natera, Inc.*, IPR2025-00455, Paper 13, 2 (Jun. 12, 2025) (denying institution where scheduled district court trial date was October 10, 2025, median statistical district

court time-to-trial was February 2026, and projected IPR final written decision was August 14, 2026). Indeed, even if the District Court trial date were to somehow, for some unforeseeable reason, slip so far that the District Court trial would not complete after some time after the conclusion of the IPR trial, this factor would still weigh very heavily in favor of denial because it is “inefficient to maintain two parallel proceedings” even “when the district court scheduled trial date and the projected final written decision due date are in close proximity,” *Shenzen Tuoze Tech. Co., Ltd. v. Stratasy, Inc.*, IPR2025-00354, Paper 11, 2 (June 12, 2025) (“*Stratasy*”) (discretionarily denying IPR where “the projected final written decision due date in the [IPR] was July 14, 2026 . . . [and] [t]he district court’s scheduled trial date [wa]s June 1, 2026 and the time-to-trial statistics suggest[ed] trial w[ould] begin in July 2026,” in order to “reduce[] the inefficiencies and burden on the parties to maintain two parallel proceedings” notwithstanding a *Sotera* stipulation); *Advanced Micro Devices, Inc. v. Concurrent Ventures, LLC*, IPR2025-00223, Paper 9 (June 12, 2025) (similar).

Petitioner argues that, despite the nearly one-year head start for the District Court in this case, Factor 2 somehow still does not weigh in favor of denial. 00360 Pet., 77; 00361 Pet., 76-77; 00362 Pet., 77. There is no support for Petitioner’s extreme position.

First, Petitioner raises an unlikely argument that “[b]ecause much can change in trial schedules, the current trial date does not support denial” even on these facts. *Id.* Petitioner cites only a single decision, *DISH Network v. Broadband iTV*, IPR2020-01280, Paper 17, 16 (Feb. 4, 2021). *DISH* does not support Petitioner’s position. Petitioner’s argument flies in the face of the overwhelming weight of decisions by both the Director and assigned Board panels. And as Petitioner’s excerpted quotation of *DISH* itself reveals, the District Court’s head start in *DISH* was far less. In fact, in that case, the District Court trial was not scheduled to begin until “more than nine months” after the projected potential institution of the IPR. *See id.* (citing statement in *DISH*, IPR2020-01280, Paper 17, 16, that the district court trial date was “**more than nine months away**” from date of institution decision). Furthermore, once again, as with the *Sand Revolution II* case above, the Board’s conclusion about the appropriate weight for the *Fintiv* factor in question was not the same as the weight that Petitioner urges the Office to give it. In *DISH*, even despite the vast difference in the schedule from the present case, the Board *still* found that this Factor weighed in favor of denial: even though it incorrectly discounted almost entirely the fact that the scheduled trial date preceded the projected statutory deadline for a final written decision by several months, it still treated Factor 2 as weighing “slightly in favor of exercising our discretion to deny the Petition.” *DISH*, IPR2020-01280, Paper 17, 18. The

reasoning in *DISH*—only slightly weighing this factor of favor of discretionary denial when the district court trial date was still nine months away from the institution decision—has no applicability to the present case where, in overwhelming contrast, the jury trial is scheduled for approximately the *same time* as the institution decision. The point of *DISH* is that discretionary denial may not be appropriate when the final written decision in the projected IPR would be mere months different from the district court trial. This case could hardly be more different.

2. The Evidence Shows That The District Court’s Scheduling Of The Trial Date Is Good Evidence That Factor 2 Favors Denial.

Petitioner also argues that the trial date might change. 00360 Pet., 77; 00361 Pet., 76-77; 00362 Pet., 77. It offers nothing but speculation in support of its assertion. And federal court management statistics for median time-to-trial lend further evidentiary proof, if such proof were needed (which it should not be), that this factor weighs against institution.

Under the now-rescinded June 21, 2022 Memorandum, the Board was previously directed to consider average time to trial statistics under Factor 2. Because that guidance no longer governs, this analysis focuses on the actual trial date set by Judge Gilstrap. *Cellco P’ship v. Huawei Tech. Co., Ltd.*, IPR2020-01352, Paper 13, 9-10 (Mar. 5, 2021) (declining to consider evidence of fastest

time to verdict because “apart from speculation, we have no reason to believe that the scheduled trial date will be postponed.”); *F5 Networks, Inc. v. WSOU Invs., LLC*, IPR2022-00239, Paper 12, 8 (May 19, 2022) (accepting scheduled trial date despite alleged “uncertainty concerning the trial date”); *Google LLC v. Ikorongo Tech. LLC*, IPR2021-00204, Paper 13, 7-8 (June 7, 2021) (“the procedures of the presiding judge in the WDTex cases explicitly state that ‘the Court will not move the trial date except in extreme situations.’... Although there may be a future delay in the trial date, presuming that there would be delay would be conjecture at this time.”). But even if other evidence that might bear on the level of possibility of the trial date changing in the future were to be consulted, this factor still would overwhelmingly favor denial.² The latest federal court management statistics on median time to trial (Ex. 2005) demonstrate that the median time from filing to

² Recent guidance still permits, in some circumstances, consideration of “any evidence that the parties make of record that bears on the proximity of the district court's trial date . . . , including median time-to-trial statistics for civil actions in the district court in which the parallel litigation resides.” Ex. 2004 (Mar. 24, 2025 Memorandum—Guidance on USPTO's rescission of "Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation) [3/24/2025 Guidance Memorandum].

trial for the parallel District Court case between the parties, in the Eastern District of Texas, is 25.9 months. Ex. 2005 [Judicial-Caseload-Profile-EDT] . The trial in the parallel litigation is scheduled for October 20, 2025, about 20 months from filing of Patent Owner’s complaint. Ex. 2002 [5th-Amended-DCO] 2. Thus, the time-to-trial here outpaces the median time. Moreover, the scheduled trial date has shown no tendency to change. The *Markman* hearing has already been held, and fact discovery under the District Court schedule are already completed, and still, through all that investment and time, the scheduled trial date has not changed since the initial Docket Control Order was issued on June 14, 2024. *See* Ex. 2006 [June-14-2024-DCO]; Ex. 2002 [5th-Amended-DCO].

Even if, contrary to current evidence, this trial date were to change, and not only change but revert all the way to the median statistical time to trial—in other words, to be delayed nearly six months from its current scheduled start date, see Exhibit 2002—the District Court trial would *still* be scheduled *nearly six months before* any projected IPR trial. As already noted, Judge Gilstrap set a date for the jury trial, which remains changed, such that it will begin and conclude almost one year before the Board’s projected statutory deadline. It would take a truly drastic delay to have any significance whatsoever in affecting the enormous head start that the jury has over the Board. That is a consequence of the extreme facts of this case in favor of discretionary denial. *See cases supra; see also, e.g., Gigamon, supra,*

11 (“Even if the trial date were delayed, it remains highly probable that the trial would occur prior to the Board’s final written decision given the significant gap between the current trial date and the date that any final written decision would be due in this proceeding.”); *Cisco, supra*, 7 (finding that when trial was set for ten months before the projected statutory deadline, even “some uncertainty regarding the trial date in the District Court Litigation...does not outweigh the substantial gap between the trial date and the final written decision deadline.”); *GREE, supra*, 8-9 (weighing factor in favor of denying institution even as Board accepted there would a delay in the district court proceeding when final written decision would not be due until twelve months after the scheduled trial date).

Finally, because of the advanced stage of the district court litigation, there are likely to be District Court determinations relating to the validity of the patent-at-issue even in advance of the Board’s institution decision. Indeed, the Court’s Scheduling Order requires dispositive motions, including on issues such as invalidity, to be filed by July 14, 2025, and requires defendants to identify final invalidity theories one week before the trial’s start date of October 20, 2025. Ex. 2002 [5th-Amended-Docket-Control-Order] 2. The likelihood that at least some of these pretrial determinations, and the existing and any future determinations on claim construction, will bear upon the merits of the patentability of the claims in this IPR is a further reason that this factor weighs in favor of discretionary denial.

See Fintiv (precedential), 9-10 (explaining in the context of factor 3 that “if, at the time of the institution decision, the district court has issued substantive orders related to the patent at issue in the petition,” *Fintiv* favors denial).

For all these reasons, *Fintiv* Factor 2, and the one-year head start in the District Court, weighs very maximally in favor of denial.

C. *Fintiv* Factor 3: The Extensive, Growing Investment In The Parallel District Court Litigation Weighs In Favor Of Denial.

Fintiv factor 3 considers “the 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 (precedential)*, 9 (emphasis added). Accordingly, factor 3 weighs in favor of denying institution.

At the time of the institution decision, both the parties and the district court will have invested considerable time and resources in the parallel proceeding—namely, almost everything but the jury trial itself will have been completed. This complete or near-complete expenditure of pre-trial effort by the time any projected IPR trial would *begin* favors denial of institution in favor of the District Court case. As *Fintiv* explains, “[t]his investment factor is related to the trial date factor, in that more work completed by the parties and the court in the parallel proceeding tends to support the arguments that the parallel proceeding is more advanced, a stay may be less likely, and instituting would lead to duplicative costs.” *Id.*, 10.

That is overwhelmingly true here. If institution were to be granted here, the projected institution decision would be due only five days before the district court trial, which is set for October 20, 2025—a date which has not changed since the initial Docket Control Order was issued on June 14, 2024. *See* Ex. 2006 [June-14-2024-DCO] 2; Ex. 2002 [5th-Amended-DCO] 2. Similarly, the *Markman* hearing has already been held in accordance with the same initial Docket Control Order, and further the Court issued its Claim Construction Order on May 30, 2025. Ex. 2006 [June-14-2024-DCO] 4; *see also*, Ex. 2001 [Markman-Order].

While some interim deadlines have changed in the pretrial schedule since the initial June 14, 2024 Docket Control Order, these shifts have been minor, and still maintain the same relativity to the current dates in this IPR—i.e., while Fact Discovery was initially set to be completed by May 9, 2025, the amended date it was completed, May 30, 2025, still preceded the deadline for submission of this Discretionary Denial Brief. *See* Ex. 2006 [June-14-2024-DCO]; Ex. 2002 [5th-Amended-DCO]. Similarly, while Expert Discovery was initially set to be completed by July 3, 2025, the amended date that it is set for expert discovery to be completed is July 10, 2025, only a week later than the original deadline, and still preceding the due date for Patent Owner’s Preliminary Response in this IPR. *Id.*

In addition to the considerable investment that has already been completed in the parties' District Court case involving the patent, considerably *more* such investment by Patent Owner, Petitioner, and the District Court is scheduled to have occurred by the time Patent Owner's Preliminary Response is due. By then, dispositive motions will have been submitted, and disclosures for expert witnesses and rebuttal expert witnesses will also have been served. Ex. 2002 [5th-Amended-DCO]. And the decision whether to institute *still* will not be due for another 3 months.

By the time a decision whether to institute is due, even more will have been done under the District Court schedule: in fact, under the current schedule, pre-trial work will be essentially complete with jury selection about to commence. An institution decision is due October 15, 2025. ***The only scheduled event/deadline on the Docket Control Order that will have not occurred in the District Court trial case by that date is the jury trial itself.*** As of October 15, 2025 each of the following intensive events in the District Court Litigation is scheduled to have been completed by Patent Owner and Petitioner:

- responding to dispositive motions,
- pretrial disclosures (including witness lists, deposition designations and exhibits lists),
- objections to pretrial disclosures

- rebuttal pretrial disclosures
- objections to rebuttal pretrial disclosures
- motions *in limine*
- joint pretrial order (including joint proposed jury instructions, joint proposed verdict form, responses to motions *in limine*, updated exhibit lists, updated witness lists, and updated deposition designations).
- a “final” meet and confer between Patent Owner and Petitioner.
- The pretrial conference
- The juror questionnaire
- Disclosure of Petitioner’s final invalidity theories
- Final election of asserted claims.

In addition to all the events and deadlines listed on the docket control order, district court counsel will also have spent an enormous amount of time preparing for the jury trial.

The recent decision of *Motorola Solutions Inc. v. Stellar LLC*, IPR2024-01205, Paper 19 (Mar. 28, 2025), *reh’g denied*, Paper 23 (May 23, 2025) (“*Stellar*”), is revealing. There, the Acting Director found that the parties and the district court had “invested” “substantial time and effort” where the parties had “served extensive infringement and invalidity contentions,” “filed claim construction briefs,” and the district court had “construed the disputed claim

terms.” *Id.*, 3. Under these facts, the Acting Director concluded: “[g]iven the substantial time and effort the parties and the district court had invested in the parallel proceeding, factor 3 ***strongly favors discretionary denial.***” *Id.* Compared to *Stellar*, the amount of investment in the District Court proceeding here will be much, much more, and the weight of this factor in favor of discretionary denial increases accordingly. *See also* the other cases cited above with respect to factor 2.

As the overwhelming investment of time and effort detailed above makes clear, factor 3 weighs very strongly in favor of discretionary denial.

D. *Fintiv* Factor 4: There Is Perfect or Very Extensive Overlap Between This IPR And The District Court Proceeding.

Factor 4 assesses “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 (precedential)*, 12-13. Given the substantial overlap between each of the three IPRs and the district court litigation, Factor 4 weighs in favor of discretionary denial. Moreover, current Office guidance and decisions make clear that the weak *Sand Revolution II* type stipulation that Petitioner has offered in this case does not weigh significantly in favor of institution.

1. Petitioner's Limited Stipulation Does Not Support Institution.

In all three IPRs Petitioner asserts that “[u]nder factor 4, there will not be any overlap in the issues raised in the IPR and in the co-pending litigation,” because of a stipulation offered by Petitioner. 00360 Pet., 78; 00361 Pet., 77; 00362 Pet., 78. Specifically, in the 00361 and 00362 IPRs Petitioner asserts that, “[i]f the Board institutes IPR, Petitioners stipulate to not raising in the Related litigations any grounds [that use] the same combination of references herein.” 00361 Pet., 77; 00362 Pet., 78. In the 000360 IPR Petitioner asserts that, “[i]f the Board institutes IPR, Petitioners stipulate to not raising in the Related litigations any grounds that include the same primary reference (Miller) used herein.” 00360 Pet., 78.

But, contrary to Petitioner's assertions, even with these weakly offered stipulations, there will be substantial overlap between each proceeding and the district court litigation. First, in each IPR Petitioner concedes that they challenge all claims asserted in the district court litigation. 00360 Pet., 78; 00361 Pet., 77; 00362 Pet., 78. That alone demonstrates a high degree of overlap in the issues and claim scope. See *Fintiv (precedential)*, 13. Furthermore, in each IPR, the stipulation Petitioner offers is narrowly scoped. In the 00361 and 00362 IPRs, Petitioner agrees only not to raise “any grounds that use the same combination of references herein.” 00361 Pet., 77; 00362 Pet., 78. In the 00360 IPR, Petitioner

only agrees that they will not use the “Miller” reference. 00360 Pet., 78. These stipulations are thus more akin to a “*Sand Revolution II*” type of stipulation, even weaker and more limited than a so-called “*Sotera*” stipulation, which would stipulate that the petitioner will not raise any challenges against the claims in District Court that the petitioner *could have* raised in IPR.

It is notable that, as pointed out above, the weight of stipulations in the *Fintiv* analysis has been lessened dramatically since the rescission of the USPTO’s June 2022 Memorandum. See Ex. 2007 [Feb.-28-2025-Rescission-Update]. Further, none of the offered stipulations is a *Sotera*-type stipulation, but rather resemble the more limited stipulation in *Sand Revolution II*. See *Sand Revolution II, supra*, 11-12. Such a stipulation is “narrowly scoped” and thus of marginal weight for purposes of lessening the support for discretionary denial. See *Nokia of Am. Corp. v. Soto*, IPR2023-00680, Paper 30, 13 (Dec. 3, 2024). The stipulations at hand do little to avoid duplicative issues and efforts.

2. Petitioners’ District Court Overlap With Its IPR Challenges.

Meanwhile, even with the very narrow stipulations offered by Petitioners, the actual overlap between the challenges Petitioner has raised in District Court and the challenges Petitioner has raised in each IPR is extensive or near total.

Petitioner’s primary reference in both grounds of the 00361 Petition, as well as the single ground of the 00362 Petition, is “Har”. See 00361 Pet., 6; 00362 Pet.,

5. This same reference features in *all 16 grounds* that Petitioner raises against the '989 patent's claims and *all 16 grounds* that Petitioner raises against the '132 patent's claims in their amended District Court invalidity contentions. *See* Ex. 2008 [Amended-Invalidity-Contentions] 82-84; 98-191. In these circumstances, overlap weighs in favor of denial of institution. As explained, for example, in *Samsung Electronics Co., Ltd. v. Secure-Wi-Fi LLC*:

Although Petitioner's stipulation would presumably prevent it from asserting 'the same grounds' in the parallel district court litigation as it has in the Petition, it is not clear that the stipulation would avoid duplicate efforts to resolve key issues such as the construction of [patent terms] or whether [the prior art references] disclose [the patent's limitations].

These particular issues would still be key to Petitioner's argument if, for example, Petitioner, swapped [one of the prior references raised in the IPR grounds] for another reference asserted in the parallel district court litigation. Such a swap would not be the "same grounds asserted in the Petition" but would result in the same central disputed issues needing to be decided

Thus, although we acknowledge Petitioner's stipulation is not without any meaning or weight, it does not substantially mitigate the prospect of duplicative efforts between the two proceedings under these circumstances, in light of the substantial overlap of the claims, prior art,

and evidence in the two proceedings. Accordingly, we find that Factor 4 weighs in favor of discretionary denial.

Samsung Elecs. Co., Ltd. v. Secure Wi-Fi LLC, IPR2024-01369, Paper 10, 14-15 (Mar. 24, 2025) (citations omitted), *director review denied*, Paper 14 (June 11, 2025) (“*Secure Wi-Fi*”).

The situation here for factor 4 purposes is materially indistinguishable from the situation in *Secure Wi-Fi*. Petitioner plans to use Har, the primary reference used in both grounds of the 00361 Petition and the sole ground of the 00362 Petition, in their invalidity defense in district court. Even if Petitioner were to raise a ground in District Court that simply swaps one of the references, as its stipulation would allow it to do, that would still result in duplicative efforts as the “same central disputed issues” would still need to be decided. *Id.* Notably, in addition to their obviousness grounds, for both the ’132 and ’989 patents, Petitioner contends that Har along with 15 other “primary references” each anticipate the patent. *See* Ex. 2008 [Amended-Invalidity-Contentions] 42-44. Thus, Petitioner makes clear that it is simply treating Har as one of a number of materially interchangeable references. Furthermore, as to the ’009 patent against which Petitioner’s IPR cites Miller, Miller is heavily relied on in all three of Petitioner’s IPR petitions, and Petitioner admits that there is “substantial overlap” between all three patents in its IPR proceedings. 00361 Pet., 80 (noting that Petitioner filed three petitions and

that all three patents challenged “have substantial overlap in the claim language”). Petitioner does not show, or attempt to show, that there is not a correspondingly substantial overlap between Miller, and the other art raised such as Har.

As for the remaining petition, (the 00360 Petition), there is still extensive overlap and that overlap also applies to the other petitions, in addition to the overlap described above. The sole reference in the sole ground of the 00360 Petition is “Miller,” which is raised in the grounds of all three petitions. While “Miller” is not specifically listed in Petitioner-Defendants’ Invalidation Contentions, served in the District Court Litigation, this art is nevertheless included in the references in the Invalidation Contentions. Petitioner specifically **“incorporate[s] by reference all other bases for invalidity identified in...any post-grant reviews (e.g., any Inter Partes Reviews) of the Asserted Patents or related patents... and references cited therein.”** See Ex. 2008 [Amended-Invalidation-Contentions], 2-3. Accordingly, Petitioner-Defendants have explicitly reserved the right to use this art as well in the District Court Litigation.³

³ Petitioner offers a stipulation in the 00360 IPR only that if that IPR is instituted, they will not use the “Miller” reference. 00360 Pet., 78. Even with this additional “stipulation” taken into account, however, the analysis provided in this

While Petitioner asserts that the District Court Litigation will likely be limited to only five claims from each of the '009, '132, and '009 patents (at most), and “it is highly unlikely the district court addresses all Challenged Claims,” *see* 00360 Pet., 78; 00361 Pet., 77; 00362 Pet., 78, this does not negate the substantial overlap between Petitioner’s District Court challenges to each of these patents’ claims and its IPR challenges to these patents’ claims. The '009 and '989 patents each have only three independent claims, and the '132 patent only has one independent claim. The Board has made clear that even if the IPR challenges more claims than those asserted in the parallel proceeding, this does nothing to mitigate “substantial” overlap, especially when the Petition presents common prior art and challenges common independent claims. *See, e.g., Code200, UAB v. Luminate Networks, Ltd.*, IPR2020-01506, Paper 10, 11-12 (Feb. 16, 2021) (“In light of the common prior art asserted here and in the [] district court case, as well as the common challenge to the sole independent claim and all but two of the dependent

section does not change, because Petitioner could simply swap one of the other references for Miller. *See, e.g., Secure Wi-Fi, supra*, at 15; *Stellar, supra*, at 1 (reversing Board panel institution decision and denying institution, noting that the Board “gave too much weight to” a significantly broader stipulation than in this proceeding) (footnote omitted).

claims of the [’384] patent, we agree with the Patent Owner that the overlap in issues between the two proceedings is substantial.”); *see also Teso LT UAB v. Luminati Networks Ltd.*, IPR2021-00122, Paper 12, 10 (Apr. 20, 2021) (denial of institution favored where Petition’s prior art references were all identified in the district court invalidity contentions, the same independent claims were challenged in both proceedings, and “the additional claims challenged in the Petition are all dependent claims”).

Further, Petitioner’s stipulations are even weaker in light of the Director’s recent holding that even a much more expansive *Sotera* stipulation “does not ensure that these IPR proceedings would be a ‘true alternative’ to the district court proceeding” when, as here, “Petitioner’s invalidity arguments in the district court are more expansive and include combinations of the prior art asserted in these proceedings with unpublished system prior art, which Petitioner’s stipulation is not likely to moot.” *Stellar, supra*, 3-4; *see* Ex. 2008 [Amended-Invalidity-Contentions] 37-39 (Petitioner identifying a number of “Prior Art Systems” in their invalidity contentions); *id.*, 59-64, 80-84, 97-101 (Petitioner featuring these identified prior art systems in various combinations it alleges render obvious the ’009, ’989, and ’132 patents, respectively).

The overlap between each IPR proceeding and the district court litigation is substantial, and the stipulation offered by Petitioner does nothing to meaningfully

mitigate this overlap. Accordingly, this factor weighs in favor of discretionary denial.

E. *Fintiv* Factor 5: Petitioner Consists Of The Defendants In The District Court Litigation.

Factor 5 weighs against institution since the Petitioner in this IPR are all defendants in parallel district court litigation. While Petitioner does not dispute the fact that they are defendants in district court, Petitioner nevertheless argues that “nothing within *Fintiv* suggests that the same parties between the proceedings weighs in favor of discretionary denial.” 00360 Pet., 78-79; 00361 Pet., 77-78; 00362 Pet., 78. To the contrary, the very wording of this factor—“whether the petitioner and the defendant in the parallel proceeding are the same party”—as enumerated by the board, leads to the opposite conclusion.

Furthermore, in the informative *Fintiv* decision, in which the Board analyzed and applied the factors laid out in in the precedential *Fintiv* decision, as to this factor the Board held that “[b]ecause the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial.” *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15, 15 (May 13, 2020) (informative) (“*Fintiv* (informative)”).

The Petition cites *HP Inc. v. Slingshot Printing LLC* in support of its contention that “nothing within *Fintiv* suggests that the same parties between the

proceedings weighs in favor of discretionary denial.” 00360 Pet., 78-79; 00361 Pet., 77-78; 00362 Pet. 78 (citing *HP Inc. v. Slingshot Printing LLC*, IPR2020-01084, Paper 13, 9 (Jan. 14, 2021) (“*Slingshot*”). The Petition’s characterization of the holding in *Slingshot* is inaccurate. The Board did not suggest in that decision that the commonality of parties in parallel proceedings was neutral in the *Fintiv* analysis. Rather, the Board said that “Factors 1 (likelihood of stay), 2 (district court’s trial date as compared to final written decision date), and 5 (same parties as parallel proceeding) **collectively** are neutral.” *Slingshot*, 9 (emphasis added). Thus, the Board never held in *Slingshot* that this factor was neutral as to denial of institution.

Accordingly, because Petitioner and the defendants in the parallel proceedings are the same, this factor weighs in favor of discretionary denial.

III. ADDITIONAL FACTORS

As noted above, the overwhelming, nearly twelve-month head start that the District Court has over this IPR, and the fact that the District Court is scheduled to begin its jury trial at approximately the time a decision on whether to even institute trial in this IPR is due, the first five *Fintiv* factors should be dispositive in favor of discretionary denial. For completeness, Patent Owner now analyzes several additional factors lending further significant support, if any were needed, to the exercise of discretion to deny institution.

A. Other Circumstances Mentioned in *Fintiv* Do Not Support Review.

Fintiv's so-called "factor 6" notes that, in addition to the five specified factors relating to discretionary denial, other circumstances, such as for example the merits, may sometimes have bearing on the question whether to exercise discretion to deny institution. Petitioner contends that the merits are such a circumstance because its Petition presents "compelling evidence of unpatentability," and, thus, should not be discretionarily denied, in accordance with the June 2022 USPTO Memorandum issued by the former Director. 00360 Pet., 76; 00361 Pet., 75-76; 00362 Pet., 76-77. However, this argument is not persuasive, as a matter of law; and the opposite is, in fact, true.

The June 2022 Memorandum has been rescinded by the Office. Any argument based on the June 2022 Memorandum, including its section setting forth the "compelling merits" test, has been declared to be not "persuasive." See Ex. 2007 [Feb.-28-2025-Rescission-Update]. Significantly, this rescission applies to the instant proceeding. Ex. 2004 [March-24-2025-USPTO-Memorandum] 2. The USPTO guidance on the rescission makes clear that a finding that a petition has compelling merits is no longer persuasive as being dispositive in the discretionary denial assessment. *Id.*, 3. Accordingly, even if the Petition, as Petitioner asserts, were to present a compelling unpatentability challenge—it does not—such a factor

would not be dispositive here, and the weight of factors would still heavily favor denying institution.

Moreover, Petitioner fails to establish that the merits are sufficient to overcome the overwhelming weight of the other factors supporting discretionary denial. The Director’s Memorandum permits the parties to address “[t]he strength of the unpatentability challenge[.]” Memorandum, 2. In response to FAQ 12, the Office has indicated that

the Director will consider the merits in the merits briefing if the parties ask the Director to do so. Parties should not repeat their merits arguments verbatim but should briefly explain why the merits are relevant.

Response to FAQ 12.⁴ In accordance with this guidance, Patent Owner respectfully requests that the Director consider any merits briefing filed in Patent Owner’s POPR.

Petitioner also contends that “the Board’s decision in *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (Dec. 1, 2020) (precedential as to § II.A) instructs that a holistic view of the remaining *Fintiv* factors also weighs in favor of

⁴ Available at <https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management>.

institution.” 00360 Pet., 77; 00361 Pet., 76; 00362 Pet., 77. But the facts in the instant IPR stand in stark contrast to the facts in *Sotera*, and weigh in favor of denial, not institution. In *Sotera*, the petitioner stipulated that it would not pursue the specific grounds asserted in the *inter partes review*, or any other ground that was raised or could have been reasonably raised in an IPR (*i.e.*, **any ground that could be raised under §§ 102 or 103 on the basis of prior art patents or printed publications**). *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12, 18-19 (Dec. 1, 2020) (precedential as to § II.A cited here). Petitioner here, however, has not filed such a stipulation. As already explained above in relation to factor 4, the “stipulation” Petitioner has offered is weak and largely meaningless.⁵ Further, in *Sotera*, the parallel proceeding was at a much earlier stage than the parallel Litigation here. Unlike the present case, fact discovery had not yet concluded and a Markman hearing had not been held. In the parallel proceeding to this case, not only have those two key pre-trial milestones been

⁵ Additionally, it should be repeated that, as a result of the rescission of the June 2022 USPTO Memorandum, a *Sotera* stipulation is also no longer itself dispositive in declining such discretion even if it is timely filed. *See* Ex. 2004 [March-24-2025-USPTO-Memorandum] 2-3; *see also, e.g., Stratasys, supra*, at 2-3 (discretionarily denying IPR notwithstanding *Sotera* stipulation).

completed, but, at the time an institution decision is due, all other required pre-trial milestones will have also been completed.

B. Petitioner Extensively Relies Upon Unfocused And Conclusory Expert Testimony.

The Director should additionally exercise discretion to deny institution because Petitioner’s case hinges on Dr. McDaniel’s voluminous and unfocused expert declaration rather than the Petition’s non-opinion arguments. As the Office has made clear, “extensive reliance on expert testimony” may indicate that the issues are “better resolved in an Article III court,” as IPR proceedings must be based on patents and printed publications—not expert opinion. *See* FAQ Regarding Discretionary Denial, 21.⁶ The role of an expert is to provide focused support (*e.g.*, explaining terms of art or relevant context), not to substitute for the petitioner’s obviousness rationale. *Id.*

This case includes overreliance on the sort of unfocused expert opinion the Office has cautioned against. Here, in 00360, 00361, and 00362, Petitioner has submitted a 77-page, 167-paragraph declaration (00360 Ex. 1003); an 88-page, 202-paragraph declaration (00361 Ex. 1003); and a 92-page, 190-paragraph declaration (00362 Ex. 1003).

⁶ Available at <https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management>.

The manner in which this expert testimony is given and used supports discretionary denial. As the Office has rightly noted, “the statute and our reviewing court require that petitions be based on prior art patents and printed publications.” FAQ, 21. Yet Dr. McDaniel’s declarations repeatedly rely on the proposed combinations as if they already existed, citing them as if they were existing references teaching the limitations, instead of accurately depicting the disparate prior art that actually exists and sufficiently showing a rationale why the ordinary artisan would have had a reason to combine them in precisely the manner proposed. *See, e.g.*, 00362 Ex. 1003, ¶¶ 88 (arguing that “the Har/Miller system discloses this limitation,” where “the Har/Miller system” is the proposed combination and has never existed in the prior art), 103-104 (“the Har/Miller system discloses this element” and “teaches” a limitation), 124 (“Thus, the Har/Miller system teaches this claimed [limitation]”), 130 (“The Har/Miller System discloses this claim”), 135 (similar), 149 (similar); 00361 Ex. 1003, ¶¶ 120 (“the Har/Miller System discloses this element”), 156 (“the Har/Miller system discloses this claim.”). Dr. McDaniel’s declaration opinions also repeatedly rely on what allegedly “a POSA would recognize,” though it be absent in the cited prior art itself, and on the inventors’ own teachings subsequently disclosed in the challenged patent. *See, e.g.*, 00360 Ex. 1003, ¶¶ 86-87 (arguing that “[a] POSA would recognize” a 44-word set of technical propositions that would allegedly

allow Miller to meet the claims—citing as proof an “approach” that “[t]he ’009 patent subsequently used”), 81, 82, 120, 147, 150, 153, 163, 174, 180; 00361 Ex. 1003, ¶¶ 49, 137, 139, 171, 172, 175; 00362 Ex. 1003, ¶¶ 81, 82, 116, 120, 147, 150, 153, 163, 174, 180. This is plainly gap-filling using expert assertion and use of the inventors’ own teachings, not application of prior art to claim limitations.

In short, the Petition is not based “on prior art patents and printed publications,” as the statute and regulations require. It is based on a sprawling, expert narrative of thousands of words. The Board and its judges are capable of understanding the prior art at issue without an expert’s rote assertions of alleged obviousness being helpful. To institute based on this testimony would endorse the very practice the Director has identified as inefficient and improper. In view of the burden this approach places on the Board and the mismatch between the Petition’s form and its obligations under 37 C.F.R. § 42.104(b)(4), the Director should exercise discretion and deny institution.

* * *

A holistic view of the facts decidedly weighs in favor of denying institution.

IV. CONCLUSION

For the above reasons, the Director should exercise her discretion under 35 U.S.C. § 314(a) to deny institution.

Respectfully submitted,

 / Kenneth J. Weatherwax /
Kenneth J. Weatherwax (Reg. No. 54,528)
LOWENSTEIN & WEATHERWAX LLP

Date: June 16, 2025

CERTIFICATE OF COMPLIANCE WITH TYPE-VOLUME LIMITS

This Patent Owner's Brief In Support Of Discretionary Denial (the "Brief") consists of 8,721 words, excluding table of contents, table of authorities, certificate of service, this certificate, or table of exhibits. The Brief complies with the type-volume limitation of 14,000 words as mandated in 37 C.F.R. § 42.24. In preparing this certificate, counsel has relied on the word count of the word-processing system used to prepare the paper (Microsoft Word).

Respectfully submitted,

/ Abigael Neufeld /

Date: June 16, 2025

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the following documents were served by electronic service, by agreement between the parties, on the date below:

**PATENT OWNER'S BRIEF IN SUPPORT OF DISCRETIONARY DENIAL
EXHIBITS 2001-2008**

The names and addresses of the parties being served are as follows, pursuant to their agreement to electronic service (*see* 00360 Pet., 82; 00361 Pet., 81; 00362 Pet., 81):

AT&T Services Inc.,
Cellco Partnership d/b/a Verizon Wireless, and
Nokia Of America Corporation,

by and through their counsel:

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Respectfully submitted,

/Abigael Neufeld /

Date: June 16, 2025