

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.

**VASU HOLDINGS, LLC,**

Patent Owner.

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Case IPR2025-00450  
U.S. Patent No. 10,419,996

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**PETITIONERS' REQUEST FOR DIRECTOR REHEARING AND/OR  
REVIEW**

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## EXHIBIT LIST

Exhibit No.	DESCRIPTION
1001	U.S. Patent No. 10,419,996 (“996”)
1002	File History of U.S. Application No. 15/921,275 (“996FH”)
1003	Declaration of Mark Lanning in Support of Petition for Inter Partes Review of U.S. Patent No. 10,419,996 (“Lanning”)
1004	U.S. Patent App. Pub. 2005/0048977 (“Dorenbosch”)
1005	U.S. Patent App. Pub. 2005/0063348 (“Donovan”)
1006	U.S. Patent App. Pub. 2003/0084056 (“DeAnna”)
1007	U.S. Patent App. Pub. 2005/0282541 (“Iizuka”)
1008	U.S. Patent App. Pub. 2002/0126654 (“Preston”)
1009	U.S. Patent App. Pub. 2004/0002335 (“Pan”)
1010	U.S. Patent App. No. 15/480,293 (“293-App”)
1011	Docket Control Order (Dkt. No. 28), <i>Vasu Holdings, LLC v. Samsung Electronics Co., Ltd.</i> , No. 2:24-cv-00034-JRG-RSP (E.D. Tex.)
1012	Plaintiff Vasu Holdings, LLC’s 5/15/2024 Infringement Contentions, Including Appx. F-1
1013	Plaintiff Vasu Holdings, LLC’s Objections and Responses to Defendants Samsung Electronics Co., Ltd, and Samsung Electronics America, Inc.’s First Set of Interrogatories (Nos. 1- 25)
1014	Plaintiff Vasu Holdings, LLC’s Supplemental Objections and Responses to Defendants Samsung Electronics Co., Ltd, and Samsung Electronics America, Inc.’s Interrogatories (Nos. 1-5, 8, 9, 13-15, 19-22, 25)
1015	Plaintiff Vasu Holdings, LLC’s Objections and Responses to Defendants Samsung Electronics Co., Ltd, and Samsung Electronics America, Inc.’s Second Set of Interrogatories (No. 26)
1016	Vern A. Dubendorf, <i>Wireless Data Technologies</i> (2003)

1017	Gregory P. Pollini, Trends in Handover Design (March 1996)
1018	U.S. Patent No. 6,567,383 (“Böhnke”)
1019	U.S. Patent No. 7,298,716 (“Abraham”)
1020	U.S. Patent No. 7,126,926 (“Bjorklund”)
1021	U.S. Patent App. Pub. 2007/0146475 (“Inoue”)
1022	Timer, The IEEE Standard Dictionary of Electrical and Electronics Terms (6th ed., 1996)
1023	Server, McGraw-Hill Dictionary of Computing & Communications (6th ed., 2003)
1024	Server, Modern Dictionary of Electronics (7th ed., 1999)
1025	Oscillator, McGraw-Hill Dictionary of Scientific and Technical Terms (6th ed., 2003)
1026	Declaration of Jonathan Bradford in Support of Petition for Inter Partes Review of U.S. Patent No. 10,419,996
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1028	Order Denying Defendants’ Motion to Stay Pending Inter Partes Review (Dkt. No. 69), <i>Vasu Holdings, LLC v. Samsung Electronics Co., Ltd.</i> , No. 2:24-cv-00034-JRG-RSP (E.D. Tex.)
1029	C. Bony Letter to P. Andre (June 25, 2024)
1030	Plaintiff Vasu Holdings, LLC’s Disclosure of Asserted Claims and Supplemental Infringement Contentions Under Patent Local Rules 3-1, 3-2, 3-4, and Dkt. No. 29 (Aug. 30, 2024)
1031	<i>Multimedia Techs. PTE Ltd. v. LG Elecs. Inc., et al.</i> , 2:22-cv-00494-JRG-RSP, Dkt. 273 (E.D. Tex. Mar. 18, 2025)
1032	Eastern District of Texas, Calendar Events Set For 11/3/2025, Judge Rodney Gilstrap

## I. INTRODUCTION

In response to the Decision Denying Institution of *Inter Partes* Review (Pap. 11 or “Decision”), Petitioners respectfully request that the Director reconsider institution. Director rehearing and/or review is essential to consider the effect of the improper retroactive rescission of the USPTO’s binding guidance that provided that a *Sotera* stipulation offered protection from discretionary denial under §314(a) due to a co-pending district court litigation. *See* Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation (“Vidal Memo”)<sup>1</sup> (“the PTAB will not discretionarily deny institution in view of parallel district court litigation where a petitioner presents a stipulation not to pursue in a parallel proceeding the same grounds or any grounds that could have reasonably been raised before the PTAB”). Further, rehearing/review is necessary because the Decision failed to follow the currently binding guidance that continues to require consideration of a timely *Sotera* stipulation. *See* Guidance on USPTO’s rescission of “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with

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<sup>1</sup>[https://www.uspto.gov/sites/default/files/documents/interim\\_proc\\_discretionary\\_denials\\_aia\\_parallel\\_district\\_court\\_litigation\\_memo\\_20220621\\_.pdf](https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf)

Parallel District Court Litigation” (“Boalick Memo”)<sup>2</sup> (“[A] timely-filed *Sotera* stipulation ... is highly relevant, but will not be dispositive by itself. Instead, the Board will consider such a stipulation as part of its holistic analysis under *Fintiv*.”).

For the reasons described below, Petitioners respectfully request rehearing and/or review by the Director.

## **II. BACKGROUND**

Patent Owner Vasu Holdings, LLC (“Vasu”) brought suit in the Eastern District of Texas against Samsung Electronics Co., Ltd. and Samsung Electronics America, Inc. (collectively “Samsung”), accusing Samsung of infringing Vasu’s patents. *See Vasu Holdings, LLC v. Samsung Electronics Co., Ltd.*, No. 2:24-cv-00034-JRG-RSP (E.D. Tex.). In response, Samsung filed its Petitions in IPR2024-00446 to IPR2024-00450 on January 23-24, 2025. *See* Pap. 2. At the time Samsung filed its Petitions, the discretionary denial regime guided by Director Vidal’s so-called “Vidal Memo,” dated June 21, 2022, was in force. *See* Vidal Memo. On February 28, 2025, the USPTO rescinded the Vidal Memo in a three-sentence website post that did not indicate the cases to which the rescission applied. *See*

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<sup>2</sup>[https://www.uspto.gov/sites/default/files/documents/guidance\\_memo\\_on\\_interim\\_procedure\\_recission\\_20250324.pdf](https://www.uspto.gov/sites/default/files/documents/guidance_memo_on_interim_procedure_recission_20250324.pdf)

Recission Announcement.<sup>3</sup> Subsequently, on March 24, 2025, Chief Administrative Patent Judge Boalick issued the “Boalick Memo,” stating, among other things, that the Vidal Memo recission applied to “any case in which the Board has not issued an institution decision, or where a request for rehearing or Director Review of an institution decision was filed and remains pending.” *See* Boalick Memo. The Boalick Memo continued to maintain that “a timely-filed *Sotera* stipulation” is “highly relevant,” and should be considered by the Board. *Id.* Per the Boalick Memo, “timely filed” means prior to the Board’s decision on institution. *Id.*, n.1 (citing *NXP USA, Inc. v. Impinj, Inc.*, IPR2021-01556, Paper 13 (P.T.A.B. Sept. 7, 2022) (precedential)).

On April 18, 2025—more than three weeks before Vasu’s discretionary denial briefing was due—Samsung informed counsel for Vasu that Samsung stipulated that for each IPR of the five IPRs, if that IPR is instituted, Samsung agrees that it “will not pursue any ground under 35 U.S.C. §§102-103” against the corresponding patent in the district court case. *See* Ex. 1027. Samsung filed these stipulations with the PTAB on May 1, 2025. *Id.* Vasu filed its Request for Discretionary Denial on May 12, 2025. *See* Pap. 7.

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<sup>3</sup><https://www.uspto.gov/about-us/news-updates/uspto-rescinds-memorandum-addressing-discretionary-denial-procedures>

On July 10, 2025, because the Acting Director Stewart is recused from this matter, the Acting Director delegated her authority to Acting Deputy Chief Administrative Patent Judge Deshpande, and Judge Deshpande issued a Decision discretionarily denying institution. *See* Pap. 11. In particular, Judge Deshpande found that it was unlikely that a final written decision would issue before the district court trial occurred. *Id.*, 2. The Decision did not make reference to Samsung’s *Sotera* stipulation. *Id.*

Samsung now seeks Director rehearing and/or review of the discretionary denial decision.

### **III. LEGAL STANDARD**

Pursuant to 37 CFR § 42.75 and the USPTO’s guidance on Director Review, a party may request review of “any decision on institution under 35 U.S.C. § [314].” *See* 37 CFR § 42.75; Guidance on Director Review Process<sup>4</sup>. Review of a decision on institution under § 314 is proper for “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.” *Id.* Review of discretionary issues is specifically allowed. *See* Guidance on Director Review Process at 2B (“Both discretionary and merits-based issues may be raised...”).

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<sup>4</sup><https://www.uspto.gov/patents/ptab/decisions/director-review-process>

#### IV. ARGUMENT

Director rehearing and/or review is warranted because the basis for discretionary denial was alleged overlap with the district court litigation and the timing of trial, but under the Vidal Memo—which was binding at the time the Petition was filed—Samsung was entitled to file *Sotera* stipulations after which the Board should not have considered the district court litigation.<sup>5</sup> Further, rehearing/review is also necessary because, even under the Boalick Memo, consideration of Samsung’s *Sotera* stipulations was still required, but the Decision does not mention Samsung’s *Sotera* stipulations.

The Vidal Memo that was in force at the time of Samsung’s Petitions explained that “the PTAB will not discretionarily deny institution in view of parallel district court litigation where a petitioner presents a stipulation not to pursue in a parallel proceeding the same grounds or any grounds that could have reasonably been raised before the PTAB.” *See* Vidal Memo. Samsung’s stipulations went even

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<sup>5</sup> While the Acting Director is recused from this matter and delegated her authority to Judge Desphande (Pap. 11, at 1 n.1 (citing <https://www.uspto.gov/sites/default/files/documents/deshpande-delegationletter.pdf>)), a new Director may be confirmed. Accordingly, Samsung requests Director rehearing and/or review as appropriate.

further than the Vidal Memo and stated that Samsung would not pursue *any ground* under 35 U.S.C. §§102-103 at the district court if the Petitions were instituted. Samsung relied on the Vidal Memo in filing its Petitions, including by taking the time to investigate and fully develop its Petitions on the basis that any potential delay did not risk discretionary denial due to Samsung's *Sotera* stipulations.

The USPTO's decision to rescind the Vidal Memo and to make that decision retroactive on Petitions that were filed before the date of rescission violates Samsung's due process rights under the U.S. Constitution and violates the Administrative Procedure Act. Further, the discretionary denial Decision continues to violate even the USPTO's new binding agency guidance. Rehearing/review of the Decision to discretionarily deny institution is necessary to consider the proper impact of both the Vidal and Boalick Memos.

**A. The Rescission of the Vidal Memo Violates the Due Process Clause**

With respect to the U.S. Constitution, the retroactive rescission of the Vidal Memo violated Samsung's rights under the Due Process Clause of the Fifth Amendment. Specifically, Samsung relied on this "binding agency guidance" that guaranteed that its Petitions would not be discretionarily denied based on parallel district court litigation so long as it timely filed its *Sotera* stipulations prior to the Board's institution decision. After Samsung reasonably acted in reliance on the guidance, the USPTO retroactively rescinded the guidance, and then discretionarily

denied Samsung’s Petitions based on the parallel district court litigation—exactly what the guidance promised could not happen. *See* Pap. 11.

Based on the Vidal Memo, the Board has repeatedly held that a timely filed *Sotera* stipulation was sufficient to avoid discretionary denial. *See, e.g., BMW of North Am., LLC v. NorthStar Sys. LLC*, No. IPR2023-01049, 2024 WL 967815, at \*4 (P.T.A.B. Mar. 6, 2024) (“Under the mandatory *Fintiv* guidance, this [*Sotera*] stipulation is dispositive.”); *Meta Platforms, Inc. v. Eight kHz, LLC*, No. IPR2023-01005, 2024 WL 100929, at \*5–6 (P.T.A.B. Jan. 9, 2024) (*Sotera* stipulation cited as reason for declining to exercise discretion to deny institution); *see also Motorola Sols., Inc. v. STA Grp. LLC*, No. IPR2023-01293, 2024 WL 1093736, at \*2 (P.T.A.B. Mar. 13, 2024). A timely filed *Sotera* stipulation is one that is filed before the Board’s decision on institution, as Samsung provided here. *See* Boalick Memo at 2 n.1; *Liberty Energy, Inc. & Liberty Oilfield Servs. LLC v. U.S. Well Servs., LLC*, No. IPR2025-00031, 2025 WL 1240010, at \*6 (P.T.A.B. Apr. 29, 2025) (*Sotera* stipulation provided in Petitioner’s Reply to Petitioner’s Preliminary Response was timely and weighed heavily against discretionary denial); *Meta Platforms, Inc. v. Eight kHz, LLC*, No. IPR2023-01005, 2024 WL 100929, at \*6 (P.T.A.B. Jan. 9, 2024) (“We disagree that Petitioner's stipulation is late. It is within our discretion to permit Petitioner to file a stipulation prior to institution.”).

Congress did not grant the USPTO the authority to retroactively enforce (or

decline to enforce) rules or guidance. *Cf.* 35 U.S.C. §§ 2(b)(2), 316(a); *see also, e.g., Tafas v. Dudas*, 511 F. Supp. 2d 652, 666 (E.D. Va. 2007) (“Congress did not expressly grant the PTO” “the power to promulgate retroactive rules.”). The Boalick Memo is retroactive because it applies a new rule to past acts—namely, Samsung’s timing and decision to bring these Petitions based on its reliance on the Vidal Memo. *See Landgraf v. USI Film Prods.*, 511 U.S. 244, 269–70 (1994) (explaining that retroactivity is defined by “whether the new provision attaches new legal consequences to events completed before its enactment”). The retroactive application of the Boalick Memo violates the Due Process Clause because it altered the legal consequences of actions that Samsung had already taken. *See Mexichem Fluor, Inc. v. EPA*, 866 F.3d 451, 462 (D.C. Cir. 2017) (“To satisfy the Due Process Clause, [an agency] must at a minimum ‘provide regulated parties fair warning of the conduct a regulation prohibits or requires.’”). Samsung received no such “fair warning.” Director rehearing/review is required to consider the retroactive effect of the rescission of the Vidal Memo and its impact on the Decision to discretionarily deny institution.

## **B. The Rescission of the Vidal Memo Violates the Administrative Procedure Act**

With respect to the Administrative Procedure Act, the rescission of the Vidal Memo is in violation because it did not go through notice-and-comment rulemaking and because the retroactive effect of the rescission is impermissible. Under the APA,

all rules require notice-and-comment rulemaking except for ““interpretative rules, general statements of policy, or rules of agency organization, procedure, or practice.” 5 U.S.C. § 553(b). The rescission of the Vidal Memo was a substantive rule that required notice-and-comment rulemaking because it “effect[ed] a change in existing law or policy or ... affected individual rights and obligations.” *Coal. for Common Sense in Gov’t Procurement v. Sec’y of Veterans Affs.*, 464 F.3d 1306, 1317 (Fed. Cir. 2006); *see also In re Chestek PLLC*, 92 F.4th 1105, 1109 (Fed. Cir. 2024). Specifically, the Vidal Memo—which was enacted after the USPTO received and considered “822 comments from a wide range of stakeholders,” (*see Vidal Memo*)—created a “binding” policy that a *Sotera* stipulation could protect petitioners from discretionary denials based on parallel litigation. The rescission of the Vidal Memo overturned that binding policy without any notice or comment period. As such, the rescission of the Vidal Memo affects the individual rights and obligations of petitioners, like Samsung. *See Chrysler Corp. v. Brown*, 441 U.S. 281, 302 (1979) (holding that “affecting individual rights and obligations ... is an important touchstone for distinguishing” substantive rules that require notice-and-comment rulemaking).

The rescission of the Vidal Memo is further in violation of the APA because of its retroactive effect which is “arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law,” and therefore must be “h[e]ld unlawful and

set aside.” 5 U.S.C. § 706(2)(A). The Supreme Court has explained that “general statements of policy” that an agency has the ability to promulgate are those that “advise the public prospectively of the manner in which the agency proposes to exercise a discretionary power.” *Lincoln v. Vigil*, 508 U.S. 182, 197 (1993) (cleaned up). However, only substantive rules can be applied retroactively and even then, they “will not be construed to have retroactive effect unless their language requires this result.” *See Bowen v. Georgetown Univ. Hosp.*, 488 U.S. 204, 220 (1988). Here the rescission of the Vidal Memo both was not properly promulgated as a substantive rule because it did not go through notice-and-comment rulemaking, and even if it had, it could not be given retroactive effect because the language of the rescission did not require that result. *Compare* Rescission Announcement (not mentioning retroactive effect) to Boalick Memo (announcing retroactive effect). Moreover, the retroactive rescission of the Vidal Memo changed existing policy without providing a reasoned explanation for the change and without considering the serious reliance interests involved. Under the change-in-position doctrine, the rescission therefore violates the APA. *See FDA v. Wages & White Lion Invs., L.L.C.*, 145 S. Ct. 898, 917 (2025); *Am. Bar Ass’n v. U.S. Dep’t of Educ.*, 370 F. Supp. 3d 1, 33 (D.D.C. 2019).

Because the rescission of the Vidal Memo violates the APA, Director rehearing/review is required, and institution should be granted.

### **C. The Denial Failed to Follow the USPTO's Current Guidance**

Finally, with respect to the USPTO's guidance, as explained above, the discretionary denial decision violated the Vidal Memo, which was in force at the time Samsung filed its petition, and which Samsung reasonably relied on in deciding to file its Petitions and in its timing of the filing of its Petitions. Further, the discretionary denial decision violated even the more recent Boalick Memo, which specifically instructs that "a timely-filed *Sotera* stipulation...is highly relevant" and that "the Board will consider such a stipulation as part of its holistic analysis under *Fintiv*." See Boalick Memo. In contrast to that instruction, the discretionary denial Decision never even mentions Samsung's timely filed *Sotera* stipulation or considers its impact on the overlap of issues with the district court litigation—which is the cited reason for discretionary denial.

Director rehearing/review is necessary to properly consider Samsung's *Sotera* stipulations and the corresponding overlap (or lack thereof) with the district court litigation.

### **V. CONCLUSION**

For the reasons set forth above, Samsung respectfully requests that the Director grant this Request for Director Rehearing and/or Review, deny Vasu's request for discretionary denial, reinstate this Petition, and forward it to a merits panel for an institution decision.

Dated: August 8, 2025    Respectfully submitted,

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**ROPES & GRAY LLP**

*Lead Counsel for Petitioners*

## CERTIFICATE OF SERVICE

The undersigned certifies, in accordance with 37 C.F.R. § 42.6(e), and pursuant to agreement by the parties that filing with the Board through the Patent Trial and Appeal Case Tracking System (P-TACTS) constitutes electronic service, that service was made on Patent Owner as detailed below and at [svdocketingus@hsfkramer.com](mailto:svdocketingus@hsfkramer.com):

*Date of service:* August 8, 2025

*Manner of service:* Electronic Filing with the Board  
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*Documents served:* PETITIONERS' REQUEST FOR DIRECTOR  
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Dated: August 8, 2025

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