

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., LTD.,

Petitioner

v.

HEADWATER RESEARCH LLC,

Patent Owner

Case No. IPR2025-00483

Patent No. 9,609,510

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

TABLE OF CONTENTS

I. INTRODUCTION5

II. DENIAL OF INSTITUTION UNDER §314 IS WARRANTED.....6

 A. *Fintiv* Factor 1: The District Court Is Unlikely To Grant A Stay.....7

 B. *Fintiv* Factor 2: The District Court Trial Will Occur *More Than Eight Months* Before The Deadline For A Final Written Decision 13

 C. *Fintiv* Factor 3: The Parties Will Have Invested Substantially In The District Court Case Before Any Institution Decision..... 14

 D. *Fintiv* Factor 4: There Is Substantial Overlap Between This IPR And The District Court Proceeding 17

 E. *Fintiv* Factor 5: Petitioner Is A Defendant In The District Court Litigation.....23

 F. *Fintiv* Factor 6: Other Considerations Weigh Against Institution.....23

III. ADDITIONAL CONSIDERATIONS WEIGH IN FAVOR OF DISCRETIONARY DENIAL.....24

 A. No Changes in the Law Support Reconsideration of Validity.....25

 B. The Petition is Particularly Weak and Overly Reliant on Unreliable Expert Testimony.....25

 C. The Patent Has Been In Force For More Than Eight (8) Years26

IV. THE BALANCE OF EVIDENCE FAVORS DENIAL26

V. CONCLUSION.....27

TABLE OF AUTHORITIES

Cases

Apple Inc. v. Fintiv, Inc.,
IPR2020-00019, Paper No. 11 (PTAB Mar. 20, 2020)....7, 13, 14, 15, 17, 19, 23

Apple Inc. v. Fintiv, Inc.,
IPR2020-00019, Paper No. 15 (PTAB May 13, 2020)7, 23

AT&T Servs. v. ASUS Tech.,
IPR2024-00992, Paper 14 (P.T.A.B. Dec. 16, 2024).....16

Croga Innovations Ltd. v. Cisco Systems, Inc. et al.,
No. 2:24-cv-00065-JRG, Dkt. No. 108 (E.D. Tex. 2024).....10, 15

Facebook, Inc. v. Search and Social Media Partners, LLC,
IPR2018-01620, Paper 8 (PTAB Mar. 1, 2019).....15

Ironburg Inventions Ltd. v. Valve Corp.,
64 F.4th 1274 (Fed. Cir. 2023).....22

Lionra Technologies Ltd. v. Cisco Systems, Inc.,
No. 2:24-cv-00097-JRG, Dkt. No. 58 (E.D. Tex. 2024).....10, 11

Luminati Networks Ltd. v. Teso LT, UAB,
No. 2:19-CV-00395-JRG, 2020 WL 6803255 (E.D. Tex. Oct. 30, 2020).....7

Motorola v. Stellar,
IPR2024-01205, -01206, -01297, -01208, Paper 19 (March 28, 2025).19, 20, 22

NHK Spring Co. v. Intri-Plex Techs., Inc.,
IPR2018-00752, Paper No. 8 (PTAB Sept. 12, 2018)6, 13

Sand Revolution II, LLC v. Continental Intermodal Group-Trucking LLC,
IPR2019-01393, Paper 24 (Jun.16, 2020).....12

SAP America, Inc. v. Cyandia, Inc.,
IPR2024-01496, Institution Decision.....20

Trover Grp., Inc. v. Dedicated Micros USA,
No. 2:13-CV-1047-WCB, 2015 WL 1069179 (E.D. Tex. Mar. 11, 2015)
(Bryson, J.).....8

Viavi Sols. Inc. v. Zhejiang Crystal-Optech Co.,
No. 2:21-CV-00378-JRG, 2022 WL 16856099 (E.D. Tex. Nov. 10, 2022).....8

Statutes

35 U.S.C. § 3146, 15
35 U.S.C. § 31522
37 C.F.R. § 42.1076

PATENT OWNER'S EXHIBIT LIST

No.	Description
2001	Docket Navigator Stay Statistics
2002	May 12, 2025, 1 st Amended DCO
2003	Docket Navigator Median Time-to-Trial Statistics
2004	Samsung's September 12, 2024 Invalidity Contentions

I. INTRODUCTION

Pursuant to the Director's March 26, 2025 memorandum regarding Interim Processes for PTAB Workload Management ("March 26, 2025 Memo"), Patent Owner Headwater Research LLC requests that the Director exercise discretion under 35 U.S.C. § 314(a) and issue a decision denying institution of the Petition.

As discussed further below, each of the six *Fintiv* factors weigh in favor of discretionary denial. For Factor 1, the District Court has not entered a stay and a stay is unlikely. For Factor 2, trial in the District Court litigation will occur ***more than eight months prior*** to a Final Written Decision in these proceedings, all but ensuring that the District Court will decide the validity of the challenged patent claims prior to any Final Written Decision. For Factor 3, by the time a decision on institution is granted, the parties will have already invested a significant amount of resources in the District Court litigation, including having already exchanged exhaustive infringement and invalidity contentions, completed claim construction, completed fact discovery, and served opening and rebuttal expert reports. For Factor 4, the challenged claims in this Petition and Petitioner's parallel Petition (IPR2025-00484) cover all asserted claims in the District Court, and Petitioner's District Court invalidity contentions are even more expansive than the invalidity grounds asserted in the Petition. For Factor 5, Petitioner is a defendant in the District Court litigation. And for Factor 6, additional considerations favor discretionary denial, including the

weakness of the merits of the Petition, as well as Petitioner's lack of diligence in bringing the Petition.

Moreover, additional relevant considerations weigh in favor of discretionary denial, including the Petition's over-reliance on unreliable expert testimony to gap-fill holes in the prior art, as well as the length of time the claims have been in force.

Patent Owner thus respectfully requests discretionary denial of the Petition.¹

II. DENIAL OF INSTITUTION UNDER §314 IS WARRANTED.

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

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

¹ Patent Owner will file a Preliminary Response addressing the merits of the Petition pursuant to 37 C.F.R. § 42.107(a) on the schedule set forth by regulation and consistent with the March 26, 2025, Memorandum. *See* 37 C.F.R. § 42.107(b).

5. whether the petitioner and the defendant in the parallel proceeding are the same party;
6. other circumstances that impact the Board's exercise of discretion, including the merits.

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

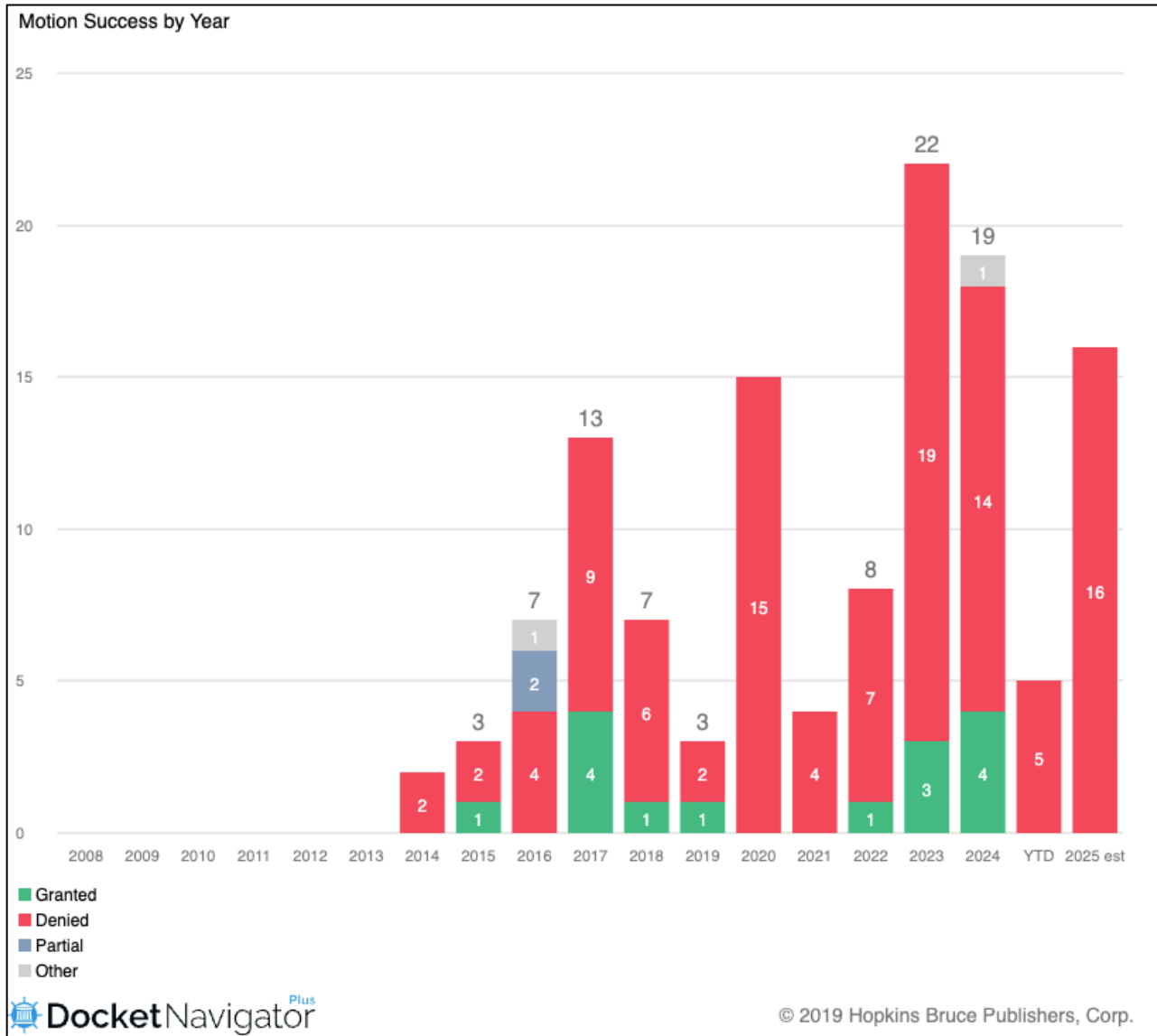
A. *Fintiv* Factor 1: The District Court Is Unlikely To Grant A Stay

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

Here, neither party has requested a stay of the District Court litigation, and all of the evidence demonstrates that a stay would not be granted even if requested. For example, even if Petitioner filed a motion to stay pending IPR in the District Court proceedings, the presiding judge, Judge Rodney Gilstrap, as well as other judges in the Eastern District, have consistently explained that it is the practice of the Eastern District to deny motions to stay where, as here, IPRs have not been instituted. *See, e.g., Luminati Networks Ltd. v. Teso LT, UAB*, No. 2:19-CV-00395-JRG, 2020 WL 6803255, at *1 (E.D. Tex. Oct. 30, 2020) (“this Court has a consistent practice of denying motions to stay when the PTAB has yet to institute post-grant

proceedings.”); *see also Trover Grp., Inc. v. Dedicated Micros USA*, No. 2:13-CV-1047-WCB, 2015 WL 1069179, at *6 (E.D. Tex. Mar. 11, 2015) (Bryson, J.) (“it is the universal practice” in this District to deny pre-institution motions to stay); *Viavi Sols. Inc. v. Zhejiang Crystal-Optech Co.*, No. 2:21-CV-00378-JRG, 2022 WL 16856099, at *5 (E.D. Tex. Nov. 10, 2022) (“It is the Court’s established practice to consider that motions to stay pending IPR proceedings which have not been instituted are inherently premature and should be denied as such.”).

Moreover, even if the Board institutes IPR proceedings, it is statistically unlikely that the District Court would grant a stay. For example, an analysis of the outcomes for motions to stay pending IPR before Judge Gilstrap demonstrates that the *vast majority* of these motions have been denied; indeed, in the last five years, only *five (5)* such motions have been granted, while *sixty-five (65)* have been denied:



See Ex. 2001 (Docket Navigator Stay Statistics).

Moreover, even just focusing on requests for stays made *after* an IPR is instituted, Judge Gilstrap has consistently denied stays where there has already been a significant amount of work invested by the parties in the District Court litigation, and where the Final Written Decision (“FWD”) is not expected until months after the scheduled District Court trial date. See, e.g., *Lionra Technologies Ltd. v. Cisco*

Systems, Inc., No. 2:24-cv-00097-JRG, Dkt. No. 58 at 3(E.D. Tex. 2024) (“Granting a stay in this case could delay its resolution, as the PTAB’s final written decision, which could be subject to further appeals, is not due until a date more than five months after the jury trial is set to begin.”); *id.* (“Such a delay would prejudice Plaintiff’s ability to vindicate its patent rights.”); *see also Croga Innovations Ltd. v. Cisco Systems, Inc. et al.*, No. 2:24-cv-00065-JRG, Dkt. No. 108 at 3-4 (E.D. Tex. 2024) (denying a request to stay where a FWD “could issue four months after the scheduled trial” and where “the parties had already invested a substantial amount of work and financial resources into the case,” with discovery “well underway” and claim construction briefings already filed).

Here, as discussed below, *infra* at 14-17, prior to the deadline for an institution decision, the parties will have invested a significant amount of resources in the parallel District Court case. For example, the parties will have: 1) served extensive infringement and invalidity contentions; 2) completed fact discovery; 3) fully briefed and already had a hearing on claim construction; and 4) prepared and served both opening and rebuttal expert reports. *See* Ex. 2002 (May 12, 2025 1st Amended DCO).

Judge Gilstrap has also explained that the facts weigh against granting a stay where, as here, the defendants did not act diligently in filing the IPR. *See, e.g., Lionra Technologies Ltd.*, No. 2:24-cv-00097-JRG, Dkt. No. 58 at 6 (“the Court

observes that Defendant should have acted more diligently in filing its IPR petition. Defendant waited over six months after Plaintiff filed this case and three months after Plaintiff served its infringement contentions to file the IPR petition.”); *id.* (“Had Defendant filed its IPR petition sooner, the PTAB’s institution decision ‘could have resulted even earlier in this case, which would have enured to everyone’s benefit.’”).

Here, as discussed below, *infra* at 13-14, Petitioner waited nearly an entire year after the District Court complaint was served to file their Petition. This is despite being aware of Patent Owner’s specific infringement contentions nearly seven months prior to filing its Petition. *See* Ex. 1103 (Headwater’s July 12, 2024 Infringement Contentions). Thus, Petitioner lacked diligence in bringing the IPR, weighing against any requested stay.

Judge Gilstrap has also explained that the facts weigh against granting a stay where, as here, resolution of the IPR will not meaningfully simplify the issues in the District Court proceeding. *See, e.g., Lionra Technologies Ltd.*, No. 2:24-cv-00097-JRG, Dkt. No. 58 at 7 (finding the facts weighed against granting a stay where “the IPR only covers a portion of Defendant’s invalidity arguments” and “[t]he IPR will not address Defendant’s argument that the [patent] is invalid under §§ 101 and/or 112.”).

Here, as discussed below, *infra* at 17-20, Petitioner’s invalidity arguments in the District Court are far more expansive than those presented in its Petition,

including additional system prior art combinations, as well as invalidity theories under §§ 101 and/or 112. Thus, even if an IPR is instituted, the issues before the District Court will not be meaningfully simplified.

In short, while Patent Owner recognizes that the Board ordinarily “will not attempt to predict” how a district court will proceed if a stay has not been granted (*see Sand Revolution II, LLC v. Continental Intermodal Group-Trucking LLC*, IPR2019-01393, Paper 24 at 7 (Jun.16, 2020) (informative)), the present facts indicate both that: 1) even if Petitioner were to request a stay, any stay request will be denied because it is the Eastern District of Texas’s practice to not grant stays prior to institution; and 2) even if the Board institutes IPR proceedings, Judge Gilstrap has *repeatedly* found that facts analogous to the present case warrant denying a motion to stay. Tellingly, Petitioner has not identified a *single* order issued by Judge Gilstrap which granted a stay under similar facts as the present case.

Thus, the evidence in this case goes far beyond mere speculation or attempts to predict the District Court’s likelihood of granting a stay; instead, the evidence demonstrates that *all* factors that the District Court will consider weigh in favor of denying a stay.

Fintiv Factor 1 thus weighs in favor of discretionary denial.²

² While Petitioner has argued in other briefings that this factor cannot weigh in favor of discretionary denial because the Board should not speculate at an outcome (*see, e.g., IPR-20025-00482*, Paper 13 at 4-6), as discussed above, the facts of this case

B. *Fintiv* Factor 2: The District Court Trial Will Occur *More Than Eight Months* Before The Deadline For A Final Written Decision

Fintiv Factor 2 looks to “proximity of the court's trial date to the Board's projected statutory deadline for a final written decision.” *Fintiv I* at 5-6. “If the court’s trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution under *NHK*.” *Id.* at 9. Here, the District Court trial is scheduled for February 9, 2026, which is ***more than eight months*** before the statutory deadline for a Final Written Decision. *See* Ex. 2002 (May 12, 2025 1st Amended DCO).

Moreover, while Patent Owner recognizes that trial dates may change, the median time-to-trial for the Eastern District of Texas is twenty-three (23) months. *See* Ex. 2003 (Docket Navigator Median Time-to-Trial Statistics). Because the parallel District Court action was filed on April 3, 2024, this indicates that the District Court trial is still likely to occur at least eight months prior to the statutory deadline for a Final Written Decision.

go far beyond mere speculation. Moreover, Petitioner’s proposed result would mean that it is virtually impossible for *Fintiv* Factor 1 to weigh in favor of discretionary denial, since the Eastern District of Texas has a practice of denying all requests to stay prior to institution, and revisiting the stay factors only ***after*** an institution decision has been reached. Thus, the District Court’s final decision on a stay request will not ordinarily be issued until ***after*** an institution decision, meaning that the ***only*** facts and evidence the Board can consider at this discretionary denial stage is the facts and evidence relating to the District Court’s stay factors—*which, as discussed above, all indicate that a stay would not be granted (even if the IPR is instituted).*

Finally, it is important to note that Petitioner waited nearly an entire year after the District Court complaint was served to file their Petition. Had Petitioner been diligent in filing its Petition rather than delaying for nearly an entire year, it could have avoided the trial date being scheduled months before the Final Written Decision deadline. Now, because of Petitioner's delay, the question of patentability of will already be resolved by the District Court many months prior to a Final Written Decision in these proceedings. Moreover, while Patent Owner understands that a petitioner may wait to file an IPR petition until after the petitioner has seen what claims are being asserted in district court, here, Petitioner was served infringement contentions identifying asserted claims of the '510 patent on July 12, 2024, nearly seven months prior to the filing of the Petition in these proceedings. *See* Ex. 1103 (Headwater's July 12, 2024 Infringement Contentions).

Thus, *Fintiv* Factor 2 weighs strongly in favor of discretionary denial.

C. *Fintiv* Factor 3: The Parties Will Have Invested Substantially In The District Court Case Before Any Institution Decision

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

construction orders may indicate that the court and parties have invested sufficient time in the parallel proceeding to favor denial.” *Id.* at 10.

Here, an institution decision would be due by October 16, 2025. *See* AIA § 6 (codifying 35 U.S.C. § 314(b)). Prior to the deadline for an institution decision, the parties will have invested a significant amount of resources in the parallel District Court case. For example, the parties will have: 1) served extensive infringement and invalidity contentions; 2) completed fact discovery; 3) fully briefed and already had a hearing on claim construction; and 4) prepared and served both opening and rebuttal expert reports. *See* Ex. 2002 (May 12, 2025 1st Amended DCO); *see also Croga Innovations Ltd. v. Cisco Systems, Inc. et al.*, No. 2:24-cv-00065-JRG, Dkt. No. 108 at 3-4 (finding that “the parties had already invested a substantial amount of work and financial resources into the case,” with discovery “well underway” and claim construction briefings already filed).

Here, while the Board ordinarily looks to whether a claim construction order has been issued in deciding whether *Fintiv* Factor 3 weighs in favor of discretionary denial (*see, e.g., Facebook, Inc. v. Search and Social Media Partners, LLC*, IPR2018-01620, Paper 8 at 24 (PTAB Mar. 1, 2019)), *Fintiv* Factor 3 may still weigh in favor of denying institution where a petitioner did not file its Petition “promptly after becoming aware of the claims being asserted” (*Fintiv 1*, Paper 11 at 11). “If, however, the evidence shows that the petitioner did not file the petition

expeditiously, such as at or around the same time that the patent owner responds to the petitioner's invalidity contentions, or even if the petitioner cannot explain the delay in filing its petition, these facts have favored denial.” *Fintiv I*, Paper 11 at 11-12.

Here: 1) the District Court complaint was filed April 3, 2024 (almost a full year before the Petition was filed); 2) Petitioner was served infringement contentions identifying asserted claims of the '510 patent on July 12, 2024 (nearly seven months prior to the Petition was filed) (*see* Ex. 1103); and 3) Petitioner served its invalidity contentions on September 12, 2024 (nearly five months before the Petition was filed) (*see* Ex. 2004 (Samsung's September 12, 2024 Invalidity Contentions)). Thus, despite Petitioner being aware of Patent Owner's specific infringement contentions, and already compiling its invalidity contentions against the '510 patent, Petitioner inexplicitly delayed a significant amount of time before filing its Petition, all but guaranteeing that the parties would have invested a significant amount of resources into the District Court action prior to any institution decision, and further ensuring that the District Court trial would take place many months prior to any Final Written Decision in this proceeding. *Fintiv* Factor 3 weighs against institution in this situation. *See Fintiv I*, Paper 11 at 11-12; *see also AT&T Servs. v. ASUS Tech.*, IPR2024-00992, Paper 14 at 12 (P.T.A.B. Dec. 16, 2024) (five months between infringement contentions and the petition is a “substantial delay”).

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

D. *Fintiv* Factor 4: There Is Substantial Overlap Between This IPR And The District Court Proceeding

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

First, Petitioner filed two parallel Petitions, which combined challenge claims 1-48 of the '510 patent, covering *all* claims that are asserted in the District Court litigation. *See* Ex. 1103 (Headwater’s July 12, 2024 Infringement Contentions) (showing claims 1–48 asserted); *see also* Petition at 1 (challenging claims 1-3, 6-7, 11, 14-25, 28-33, 35-39, 41-43, and 45-48); IPR2025-00484, Paper 2 (challenging claims 4-5, 8-10, 12-13, 21, 23, 25-27, 34, 40, and 44).

Second, there is substantial overlap between the prior art arguments presented in the Petition and arguments advanced by Petitioner in the District Court litigation.

For example, Petitioner's invalidity contentions in the District Court litigation assert that the same primary Salmela reference relied upon in the Petition anticipates or renders obvious claims of the '510 patent. *Compare* Petition at 1-2 *with* Ex. 2004 (Samsung's September 12, 2024 Invalidity Contentions). Moreover, while the Petition relies on one additional reference, Rishy-Maharaj, this reference is only used in combination with the Petition's primary reference (Salmela). *See* Petition at *passim*.

Moreover, while the Petition relies on one additional reference not included in Petitioner's District Court invalidity contentions, i.e., Rishy-Maharaj, Petitioner's District Court invalidity contentions are still *far* more expansive than the invalidity arguments set forth in the Petition. For example, Petitioner's District Court invalidity contentions assert that the '510 patent is anticipated or rendered obvious in view of thirty-five (35) total prior art patents and applications, forty-three (43) non-patent literatures, and *numerous* prior art devices, operating systems, and applications. *See* Ex. 2004 (Samsung's September 12, 2024 Invalidity Contentions) at 9–18. Petitioner's District Court invalidity contentions further include ten (10) different section 102 invalidity charts for the '510 patent, including nine (6) charts based on printed publications and four (4) charts based on prior art systems. *Id.* at 22-25. Petitioner's District Court invalidity contentions also reserve the right to supplement the contentions upon further investigation, and to combine any cited reference with

the knowledge of a POSITA and/or any other reference or system cited in support of Petitioner's obviousness arguments. *Id.* at 8, 24-26. Petitioner's District Court invalidity contentions further assert that the '510 patent claims are invalid under 35 U.S.C. 101 and 112. *Id.* at 56-64

Thus, while the Petition includes one reference that is not currently listed in Petitioner's District Court invalidity contentions, Petitioner's contentions are still ***significantly*** more expansive than the prior art arguments made in the Petition. This raises "concerns of inefficiency and the possibility of conflicting decisions" (*Fintiv I* at 12), as the District Court will decide the validity of the '510 patent claims ***months*** prior to any Final Written Decision, based on substantially similar (and indeed far more expansive) invalidity arguments.

Additionally, while Petitioner filed a *Sotera*-type stipulation asserting that "Samsung will not pursue in District Court litigation the specific grounds asserted in the IPR2025-00438 and IPR2025-00484, or any other ground that could have been reasonably raised in these proceedings" or further that "Samsung will not pursue ... combinations of the prior art asserted in whichever proceeding(s) are instituted with unpublished system prior art" (Ex. at 1104), the scope of Petitioner's stipulation is not sufficient to ensure that IPR proceedings would be a "true alternative" to the District Court litigation. *See Sotera*, Paper 12 at 19; *see also Motorola v. Stellar*, IPR2024-01205, -01206, -01297, -01208, Paper 19 at 3-4 (March 28, 2025)

(Director vacating decision granting institution where the petitioner’s “stipulation does not ensure that these [inter partes review] proceedings would be a ‘true alternative’ to the district court proceeding”).

For example, as discussed in the director review decision in *Motorola v. Stellar*, a standard *Sotera* stipulation is no longer sufficient to determine that *Fintiv* Factor 4 weighs in favor of institution where the district court invalidity contentions “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.” *Motorola v. Stellar*, Paper 19 at 4 (March 28, 2025) (“although Petitioner’s *Sotera* stipulation may mitigate some concern of duplication between the parallel proceeding and this proceeding, the stipulation does not outweigh the substantial investment in the district court proceeding or *Fintiv* factors 1, 2, and 5....”). As the Board has explained in similar situations:

[A] majority of the parties’ work that would be done here will also be required in the litigation regardless of whether we institute review. Accordingly, we do not consider the presence of the *Sotera* stipulation in our case to ensure that *inter partes* review would be a “true alternative” to the Litigation. On balance, we find that *Fintiv* Factor 4 weighs in favor of discretionarily denying institution.

SAP America, Inc. v. Cyandia, Inc., IPR2024-01496, Institution Decision at 6.³

³ See also FAQs for Interim Processes for PTAB Workload Management, <https://www.uspto.gov/patents/ptab/faqs> (“Where the petitioner is relying on corresponding system art in a co-pending proceeding and/or several other invalidity

Here, Petitioner’s stipulation only warrants that it will not pursue the same grounds as those raised in the IPR proceedings (or that could have been reasonably raised in the IPR proceedings), along with combinations of unpublished system art with any of the *specific* grounds asserted in its petitions. Thus, the stipulation does not cover any combinations of system prior art with prior art *not* asserted in these proceedings, rendering Petitioner’s stipulation insufficient to ensure the IPR proceedings are a “true alternative” to the District Court proceedings. This is particularly salient in view of Petitioner’s expansive invalidity contentions in the District Court proceedings.⁴

Additionally, Petitioner’s stipulation still permits subsequent *ex parte* reexamination petitions on grounds that could have been raised in the Petition. Thus, Petitioner’s stipulation still allows for repeated challenges to the same patent by the same defendant in multiple venues, obviating the very purpose of the IPR process to streamline the patent system and reduce litigation costs. *See, e.g.*, H.R. Rep. No.

theories, a stipulation may not be particularly meaningful because the efficiency gained by any AIA proceeding will be limited.”).

⁴ To be clear, Patent Owner is not suggesting that Petitioners must give up *every* validity defense in the parallel District Court proceedings in order for a *Sotera*-type stipulation to be sufficient. But here, Petitioners’ *Sotera*-type stipulation does not even cover the full scope of prior art that can be asserted during the IPR process, as their stipulation only covers combinations of the prior art *asserted in this IPR* with unpublished system prior art. Ex. 1104 at 1. Petitioners’ stipulation thus omits all other analogous art that *could* have been raised, so long as Petitioners combine them in *any* way with system prior art. Petitioners’ *Sotera*-type stipulation thus provides no meaningful protection against duplicate validity challenges across multiple tribunals.

112-98, at 39–40 (2011) (“The legislation is designed to establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.”). While the Director’s concerns in *Motorola v. Stellar* focused on concerns over the duplication between the PTAB and District Court proceedings, expecting the Patent Office (through the PTAB and the Central Reexamination Unit) to hear two serial challenges to the same patent is little better.⁵

In short, if the Board were to grant institution in this proceeding, it would be considering the same claims of the ’510 patent whose validity would have been previously tried before the District Court *months* prior, and the same claims of the ’510 patent whose validity may subsequently be challenged again during any potential *ex parte* reexamination process. This is the opposite of efficiency and contravenes the very purpose of the IPR process.

⁵ While 35 U.S.C. § 315(e) does preclude a petitioner from filing an *ex parte* re-examination based on any invalidity grounds “which petitioner raised or reasonably could have raised,” this language does not fully protect patent owners from serial validity attacks using substantially the same prior art. As the Federal Circuit has explained, if a petitioner seeks to serially challenge a patent (i.e., by filing an *ex parte* re-examination right after conclusion of an IPR proceeding against the same patent), “[t]he burden of proving, by a preponderance of the evidence, that a skilled searcher exercising reasonable diligence would have identified an invalidity ground rests on the **patent holder**.” See *Ironburg Inventions Ltd. v. Valve Corp.*, 64 F.4th 1274, 1298-99 (Fed. Cir. 2023). Thus, petitioners may still abuse the system by withholding certain prior art during the initial IPR challenge, then filing an *ex parte* proceeding if the IPR challenge fails, forcing the patent owner to then carry the burden of proving that the petitioner could have found the additional references with reasonable diligence.

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

E. *Fintiv* Factor 5: Petitioner Is A Defendant In The District Court Litigation.

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

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

F. *Fintiv* Factor 6: Other Considerations Weigh Against Institution

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

First, as discussed above, Petitioner waited nearly an entire year to file its Petition, all but ensuring that the validity of the '510 patent claims would be decided in the District Court litigation months prior to any Final Written Decision in these proceedings.

Second, contrary to Petitioner's assertions, the Petition fails to present any compelling merits of unpatentability. The Petition does not present anticipatory prior art under §102. Instead, the Petition relies solely on obvious combinations under §103 (weaving in **216 pages** of expert testimony). Petition at *passim*; Ex.

1003 (Traynor Decl.). Thus, the Petition only serves to highlight the novelty of the challenged claims, and the web of repurposed §103 prior art presented in the Petition fails to render the challenged claims obvious for reasons that Patent Owner will highlight in its POPR merit-based briefing.

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

III. ADDITIONAL CONSIDERATIONS WEIGH IN FAVOR OF DISCRETIONARY DENIAL

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

- Whether the PTAB or another forum has already adjudicated the validity or patentability of the challenged patent claims;
- Whether there have been changes in the law or new judicial precedent issued since issuance of the claims that may affect patentability;
- The strength of the unpatentability challenge;
- The extent of the petition's reliance on expert testimony;
- Settled expectations of the parties, such as the length of time the claims have been in force;

- Compelling economic, public health, or national security interests; and
- Any other considerations bearing on the Director's discretion.

Here, as discussed further below: 1) no changes in the law support reconsideration of validity of the '510 patent claims; 2) the Petition is particularly weak and is overly reliant on unreliable expert testimony to gap-fill holes in the prior art; and 3) the challenged claims have been in force for several years.

A. No Changes in the Law Support Reconsideration of Validity

First, no changes in the law support reconsideration of the validity of the '510 patent claims, and Petitioner does not identify any such change.

B. The Petition is Particularly Weak and Overly Reliant on Unreliable Expert Testimony

Second, the Petition is particularly weak and overly reliant on unreliable expert testimony to gap-fill holes in the prior art. For example, as discussed in the FAQs for Interim Processes for PTAB Workload Management, “[w]hile the Board may consider expert testimony, as a matter of efficiency, extensive reliance on expert testimony and/or reasonable disputes between experts on dispositive issues may suggest that the questions are better resolved in an Article III court.”⁶ Thus, a “failure to provide focused expert testimony may weigh against institution.” *Id.*

⁶ FAQs for Interim Processes for PTAB Workload Management, https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management?utm_campaign=subscriptioncenter&utm_content=&utm_medium=e

As discussed above, the Petition relies on **216 pages** of expert testimony in an attempt to cobble together multiple different prior art references to support the Petition's invalidity grounds. *See, e.g.,* Petition at *passim*; Ex. 1003 (Traynor Decl.). This over-reliance on expert testimony to gap-fill holes in the prior art is an additional relevant consideration weighing against institution.

C. The Patent Has Been In Force For More Than Eight (8) Years

Third, the '510 patent has been in force for more than eight (8) years. The length of time the claims have been in force has built a foundation of settled expectations by the Patent Owner, providing a reasonable expectation that the presumptively valid patent claims—which already passed thorough examination by the Office—may be relied upon to defend Patent Owner's intellectual property rights. Thus, settled expectations of the parties is an additional relevant consideration weighing against institution.

IV. THE BALANCE OF EVIDENCE FAVORS DENIAL

In sum, all six *Fintiv* Factors weigh in favor of discretionary denial. Moreover, even if the Board were to find Factor 1 to be neutral, then Factors 2 through 6 would still weigh in favor of discretionary denial. Finally, additional relevant considerations further weigh in favor of discretionary denial. Thus,

[mail&utm_name=&utm_source=govdelivery&utm_term=](#) (last visited Friday, April 25).

considered as a whole, the relevant facts all weigh in favor of exercising discretionary denial.

V. CONCLUSION

Patent Owner respectfully requests that the Director exercise discretion under Section 314(a) to deny institution.

Date: June 17, 2025

Respectfully submitted,

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

The undersigned hereby certifies that the above document was served on June 17, 2025 by filing this document through the Patent Trial and Appeal Case Tracking System (P-TACTS) as well as delivering a copy via electronic mail upon the following attorneys of record for Petitioner:

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