

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

v.

KEYLESS LICENSING LLC,
Patent Owner

Case IPR2025-00528
U.S. Patent No. 11,503,144

**PATENT OWNER'S RESPONSE TO
PETITIONER'S REQUEST FOR DIRECTOR REVIEW**

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U.S. Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450

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Pursuant to the authorization granted by e-mail on August 20, 2025

(EX3100), Keyless Licensing LLC (“Keyless”) submits this response to
Petitioner’s Request for Director Review (“Req.”).

I. INTRODUCTION

The Acting Deputy Chief Administrative Patent Judge correctly decided to deny institution of this *inter partes* review (IPR). Paper 13 (“Decision”).¹ The Decision appropriately weighed the *Fintiv* factors and made clear that all arguments were considered. Petitioner’s allegations that its due process rights and the Administrative Procedures Act (APA) were purportedly violated are baseless and are not a proper reason to grant review of the Decision. Accordingly, the Director should deny Petitioner’s request for review.

II. DIRECTOR REVIEW IS NOT WARRANTED BECAUSE PETITIONER’S ARGUMENTS LACK MERIT.

A. The Decision properly determined denial of institution is appropriate.

Petitioner wrongly suggests the Decision denied institution solely “based on the parallel litigation.” Req., 1. Rather, the Decision expressly states that “[a]lthough certain arguments are highlighted above, *the determination to exercise discretion to deny institution is based on a holistic assessment of all of the*

¹ The Acting Director delegated authority to the Acting Deputy Chief Administrative Judge pursuant to a Notice of Delegation. Decision, 1 n.1.

evidence and arguments presented.” Decision, 2 (emphasis added). Regardless, the *Fintiv* factors alone here warranted denial of this IPR.

1. *Fintiv* Factor Two strongly favors denial because the district court trial will occur significantly before the projected FWD.

As the Decision noted, the projected final written decision (FWD) due date for this IPR would be October 9, 2026. Decision, 2. Yet the district court’s scheduled trial date is (and remains) April 20, 2026—*nearly six months before the FWD due date*. EX2001, 1. Petitioner points to no error in that correct factual determination, and indeed cannot. Thus, *Fintiv* factor two strongly weighs in favor of denying institution of this IPR.

2. Under *Fintiv* Factor Three, the Decision correctly determined that “meaningful investment” favors denial.

Notwithstanding Petitioner’s purported assertions to the contrary (Req., 2-5), the Decision’s analysis of *Fintiv* factor three was correct and entirely consistent with the precedential *Snap* decision. Petitioner’s arguments that *Snap* compels a different determination under factor three are misleading by leaving out a significant factor in the Board’s holistic analysis of the *Fintiv* factors—the district court in that IPR had *granted a stay*. *Snap, Inc. v. SRK Tech. LLC*, IPR2020-00820, Paper 15 at 8-9 (P.T.A.B. Oct. 21, 2020) (§ II.A precedential) (“*Snap*”). And Petitioner fails to mention other key factors of the *Snap* panel’s analysis of factor three, including that it recognized: “the weight to give claim construction orders

varies” based on whether or not discovery is postponed; “Patent Owner does not identify the significant discovery that has been completed,” and “the Petition was [not] filed ... with delay.” *Id.* at 10-12. Indeed, *Snap* and the Petition here do not have “similar facts,” as Petitioner alleges, but are significantly different. Req., 4. Here, there is no stay—nor is the district court likely to grant a stay. Further, unlike *Snap*, the trial court did not postpone discovery until after *Markman* and Keyless presented evidence of the substantial discovery that will have taken place at the time of institution, including claim construction discovery, substantial completion of fact discovery, and that the *Markman* hearing will be only days away. *See* EX2001. And, as discussed below, here the Petitioner was not diligent. Thus, *Snap* does not compel a different evaluation of *Fintiv* factor three here.

Petitioner compounds its misleading analysis of factor three by improperly focusing its arguments on the work done as of the time of its request, rather than at the time of the institution decision date. *Contra* Req., 4. *Fintiv* dictates that the relevant date for considering “the amount and type of work already completed in the parallel litigation” is “*at the time of the institution decision.*” *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 9 (P.T.A.B. Mar. 20, 2020) (precedential) (“*Fintiv*”) (emphasis added). As Keyless explained in its Discretionary Denial

Brief (Paper 9), by the original institution decision deadline (October 9, 2025),² the parties will have completed claim construction briefing, will be near the end of fact discovery (with the September 5, 2025 deadline for *substantially* completing document production passed), and the *Markman* hearing will be mere days away (October 17, 2024). Paper 9, 4; EX2001, 3-5. Thus, there is no error in the Decision’s correct determination that “there has been meaningful investment in the parallel proceeding.” Decision, 2. And, although not highlighted in the Decision, factor three also favored denial because Petitioner was not diligent in filing the Petition—waiting almost eight months after the district court complaint was served to file its Petition. Paper 9, 5-6.

3. The Decision correctly determined that this IPR warrants denial based on a holistic assessment of the evidence.

Lastly, there was no error by the Decision’s failure to discuss the other *Fintiv* factors, including the impact under factor four of Petitioner’s stipulation. *Fintiv* states that the factors are evaluated holistically in “view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Fintiv* at 6. Even if factor four weighed against denial because of

² Keyless notes that if Director Review is granted, the institution decision date will likely be later than the original date, meaning that there will be even further investment in the parallel litigation.

Petitioner’s stipulation (it does not for reasons discussed in Keyless’s Discretionary Denial Brief), considered as a whole, the *Fintiv* factors strongly favor denial. The Acting Deputy Chief specifically stated that the determination to deny was “based on the totality of the evidence and arguments the parties have presented” and that the decision merely “highlight[s]” certain arguments (Decision, 2)—meaning Petitioner’s arguments regarding its stipulation were considered and found not to outweigh the *Fintiv* factors that strongly favor denial.

Given the Board’s resource constraints, the significant difference between the trial date and the FWD projected due date alone was sufficient reason here for denial. Indeed, the Director has highlighted the trial date as a key reason for denial in other proceedings. *See e.g., Cisco Sys., Inc. v. WSOU Investments LLC d/b/a Brazos Licensing*, IPR2025-00429, Paper 15 (P.T.A.B. June 25, 2025) (denying institution; highlighting only factors one and two where projected FWD date was three months after the trial date). Far from being in error, the Decision to deny institution here comports with the intent of the AIA—institution of this IPR would have been duplicative and contrary to the purpose of IPRs for “providing a more efficient system for challenging patents” and “reducing unwarranted litigation costs.” H.R.Rep. No. 112-98 at 39-40 (2011); *see also NHK Spring Co., Ltd v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 19-20 (P.T.A.B. Sept. 12, 2018) (precedential).

B. Implementation of the Acting Director’s discretionary denial policies did not violate Petitioner’s due process rights.

Petitioner does not have a right to an IPR and, therefore, has no basis to assert a violation of its due process rights. *Contra* Req., 8-9. Petitioner’s arguments that the current discretionary denial policies violate the APA (*id.*, 10) also fail—the 2022 Vidal Memo was not a binding rule and its rescission was permissible under the Director’s statutory authority “for providing policy direction ... for the Office.” 35 U.S.C. § 3(a)(2)(A). Thus, Petitioner’s challenge of the discretionary denial process is not a reason to grant Director Review of this IPR.

Congress provided that institution of an *inter partes* review is committed to the Director’s discretion and is not appealable. 35 U.S.C. § 314. Both the Supreme Court and the Federal Circuit have confirmed there is no right to an IPR. *Cuozzo Speed Techs. v. Lee*, 579 U.S. 261, 273 (2016) (“the agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *Mylan Lab ’ys Ltd. v. Janssen Pharmaceutica, N.V.*, 989 F.3d 1375, 1382 (Fed. Cir. 2021) (“The Director is permitted, but never compelled, to institute an IPR. And no petitioner has a right to such institution.”). Because Petitioner had no right to an IPR, its due process arguments fail under the threshold inquiry on “whether the plaintiff has been deprived of a protected interest in ‘property’ or ‘liberty.’” *American Mfrs. Mut. Ins. Co. v. Sullivan*, 526 U.S. 40, 59 (1999).

Additionally, Petitioner’s contention that “the 2022 Vidal Memo adopted an

absolute, ‘binding’ rule preventing discretionary denial of IPR proceedings

when the petitioner submits a *Sotera*-style stipulation” is incorrect. *Contra* Req., 8.

The 2022 Vidal Memo clearly sets forth it is an “Interim Procedure”—not a rule—that reflected the policy choices of former Director Vidal. *Cf.* Katherine K. Vidal, Memorandum, “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation” (June 21, 2022) (“2022 Vidal Memo”). Acting Director Stewart is entitled, pursuant to Congressional authority, to set her own policy, including revoking former “interim” policy put in place by a prior Director. *Cf.* 35 U.S.C. § 3(a)(2)(A). This is all the more true when the policy at issue is a matter committed to the Director’s discretion. Moreover, Petitioner was given the opportunity to be heard and to present its arguments against discretionary denial. *Contra* Req., 10. Indeed, Petitioner submitted briefing opposing discretionary denial, the Decision considered the arguments, and made its determination based on “a holistic assessment of all of the evidence and arguments presented.” Decision, 2.

Contrary to Petitioner’s assertions that the agency was required to undergo notice-and-comment rulemaking (Req., 9), the Supreme Court has stated that § 553(b)(A) of the APA “exempts ‘general statements of policy,’ which we have previously described as ‘statements issued by an agency to 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). Rather than being a retroactive rule that impaired Petitioner’s non-existent right to an IPR, the Acting Director’s decision to rescind the 2022 Vidal Memo was a general statement of policy, which advised the public on how she proposed to exercise a discretionary power (granted pursuant to statutory authority). Further, here, the policy was applied to a proceeding in which a decision on whether to institute IPR had not yet been made. Petitioner’s dislike of the new policy is not a reason to grant Director Review.

C. Deadlines in this IPR were set according to longstanding regulation, challenge of the regulation is inappropriate on Director Review, and in any event, Petitioner suffered no harm from any delay.

The rule setting the deadline for a patent owner preliminary response (and subsequently, the remaining statutory deadlines) was established at the inception of the AIA. *Cf.* 77 Fed. Reg. 48,727 (Aug. 14, 2012); 37 C.F.R. § 42.107(b) (setting the deadline for patent owner to file its preliminary response three months after the date of a notice indicating the IPR has been granted a filing date). Rather than being “arbitrary and capricious,” as Petitioner alleges (Req., 11), the deadlines in this IPR were properly set according to 37 C.F.R. § 42.107(b). *See* Paper 7, 1 (Notice of Filing Date Accorded) (stating that “Patent Owner may file a preliminary response to the petition no later than three months from the date of this notice.”). And Petitioner does not allege—nor can it—that issuance of the Notice

of Filing Date Accorded here was done “arbitrarily and capriciously” or that its timing varied significantly from other petitions.

Further, Director Review requests are limited to review of “final decision[s]” of the Board. 37 C.F.R. § 42.75. Petitioner’s apparent challenge to longstanding regulation is not an appropriate basis to grant Director Review.

And regardless, any purported “delay” in issuing the Notice of Filing Date Accorded here would not have impacted the outcome of the Decision and, therefore, did not cause harm to Petitioner. Petitioner correctly observes that the USPTO has updated its policy to generally issue notices of filing dates accorded within 14 days.³ Req., 11; *Cf.* Scott R. Boalick, Memorandum, “Notice of Filing Date Accorded for AIA Petitions” (July 18, 2025). But, contrary to Petitioner’s allegations, this IPR would warrant denial even under the current agency policy. Even if the Notice of Filing Date here had been issued within 14 days, it would *still* have resulted in a projected FWD due date almost five months *after* the district

³ In stark contrast to Petitioner’s complaints about how the Acting Director is now applying discretionary denial policy, Petitioner is apparently in favor of this new policy change, essentially requesting that it be “retroactively” applied to this proceeding (i.e., that the *Fintiv* timing be considered as if the Notice of Filing Date Accorded had been entered under the new policy).

court trial date and, thus, still sufficient reason to deny institution (in addition to the other reasons in Keyless’s Discretionary Denial Brief).

The Acting Director stated that the current processes aim “to maintain [the PTAB’s] capacity to conduct AIA proceedings” and that the determination of whether to discretionarily deny institution includes any considerations “bearing on the Director’s discretion.” Coke Morgan Stewart, Memorandum, “Interim Processes for PTAB Workload Management,” 1, 3 (Mar. 26, 2025). For all the reasons stated in the Discretionary Denial Brief, including that the district court trial will be many months before the final written decision (even under the current process) and Keyless’s settled expectations to its property rights to the ’144 patent, the Board’s finite resources would be better spent elsewhere. Paper 9.

III. CONCLUSION

The Acting Deputy Chief properly determined “discretionary denial of institution is appropriate” for this IPR. Decision, 2. There was no abuse of discretion, or erroneous findings of material fact or conclusions of law. *See* Director Review Process, § 2.B.⁴ Thus, Director Review of the Decision denying institution is not warranted and Petitioner’s request should be denied.

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

Respectfully submitted,

STERNE, KESSLER, GOLDSTEIN & FOX PLLC

/Jason A. Fitzsimmons/

Jason A. Fitzsimmons
Registration No. 65,367
Attorney for Patent Owner

Date: August 27, 2025

1101 K Street, NW
10th Floor
Washington, DC 20005
(202) 371-2600

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

I certify that the above-captioned **PATENT OWNER'S RESPONSE TO PETITIONER'S REQUEST FOR DIRECTOR REVIEW** was served in its entirety on August 27, 2025, upon the following parties via electronic mail:

Joshua L. Goldberg (Lead Counsel)
Kevin D. Rodkey (Back-up Counsel)
Tyler M. Akagi (Back-up Counsel)
Daniel C. Cooley (Back-up Counsel)
Chen Zang (Back-up Counsel)
FINNEGAN, HENDERSON, FARABOW,
GARRETT & DUNNER, LLP
joshua.goldberg@finnegan.com
kevin.rodkey@finnegan.com
tyler.akagi@finnegan.com
daniel.cooley@finnegan.com
chen.zang@finnegan.com

Respectfully submitted,

STERNE, KESSLER, GOLDSTEIN & FOX PLLC

/Jason A. Fitzsimmons/

Jason A. Fitzsimmons
Registration No. 65,367
Attorney for Patent Owner

Date: August 27, 2025

1101 K Street, NW
10th Floor
Washington, DC 20005
(202) 371-2600