

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 BRIEF ON
DISCRETIONARY DENIAL**

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Exhibit No.	Description
2001	Amended Docket Control Order [43], <i>Keyless Licensing LLC v. Samsung Electronics America, Inc.</i> , Case No. 2:24-cv-00464 (E.D. Tex. Jan. 10, 2025)
2002	Federal Court Management Statistics (December 31, 2024)
2003	Defendants' Invalidity Contentions, <i>Keyless Licensing LLC v. Samsung Electronics America, Inc.</i> , Case No. 2:24-cv-00464 (E.D. Tex. Jan. 29, 2025)
2004	Defendants' Subject Matter Eligibility Contentions, <i>Keyless Licensing LLC v. Samsung Electronics America, Inc.</i> , Case No. 2:24-cv-00464 (E.D. Tex. Jan. 29, 2025)
2005	Complaint [1], <i>Keyless Licensing LLC v. Samsung Electronics America, Inc.</i> , No. 2:24-cb-00464 (E.D. Tex. June 20, 2024),
2006	Order Denying Motion to Stay [52], <i>Keyless Licensing LLC v. Samsung Electronics America, Inc.</i> , No. 2:24-cb-00464 (E.D. Tex. May 30, 2025)
2007	Patent Trial and Appeal Board Appeal Statistics: April 2025, USPTO (Apr. 30, 2025), https://www.uspto.gov/sites/default/files/documents/fy2025_appeal_stats_april2025.pdf
2008	FAQs for Interim Processes for PTAB Workload Management, USPTO (Mar. 26, 2025), https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management
2009	Plaintiff's Opposition to Samsung's Motion to Stay Pending <i>Inter Partes</i> Review [47], <i>Keyless Licensing LLC v. Samsung Electronics America, Inc.</i> , No. 2:24-cb-00464 (E.D. Tex. May 15, 2025)

Pursuant to the Memorandum by the Acting Director dated March 26, 2025, setting forth the “Interim Processes for PTAB Workload Management” (the “Interim Processes Memo”), Keyless Licensing LLC (“Keyless”) hereby submits this brief setting forth the applicable bases for discretionary denial of institution by the Director. Interim Processes Memo, 2. As discussed herein, this proceeding should not be instituted because multiple factors identified in the Interim Process Memo warrant discretionary denial.

I. INTRODUCTION

The Director should exercise discretion under 35 U.S.C. § 314(a) and *Fintiv* to deny institution of this *inter partes* review (IPR) because the same parties are in advanced stages of litigating the validity of this patent in district court. Trial in that case is scheduled for April 20, 2026—nearly six months *before* the Board’s projected deadline for issuing a Final Written Decision (FWD). Litigating the same issues at the Board would therefore be duplicative and contrary to the intent 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).

Other considerations also favor discretionary denial. For example, Keyless has settled expectations in its property right in the ’144 patent—particularly given

its 2003 priority date and May 2025 expiration date. Additionally, institution of this IPR will be costly and inefficient because this proceeding will not reduce the number of issues for the judge and jury to decide in the parallel district court proceeding. Indeed, even if this IPR is instituted, the judge and jury would still need to resolve numerous complex invalidity assertions that Petitioner is pursuing in the parallel proceeding. It would also be an inefficient use of the Board's limited resources to resolve complex priority date allegations raised by Petitioner and caused by Petitioner's improper reliance on a European patent application and a PCT publication that were filed *after* the effective filing date of the '144 patent. Further, this is the *second* petition that Petitioner filed against the '144 patent and it would place a substantial and unnecessary burden on the Board to institute both proceedings. Accordingly, the Director should exercise discretion to deny institution.

II. THE PETITION SHOULD BE DENIED UNDER § 314(A) IN VIEW OF THE ADVANCED STATE OF THE PARALLEL LITIGATION.

The Director should deny the Petition under the *Fintiv* factors. In *Apple Inc. v. Fintiv, Inc.*, the Board articulated six nonexclusive factors for determining whether to institute an AIA post-grant proceeding where there is parallel district-court litigation. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (P.T.A.B. Mar. 20, 2020) ("*Fintiv*"). Here, the Director should exercise discretion to deny

institution of the Petition because the *Fintiv* factors as a whole strongly weigh in favor of denial of review.

A. Factor 1 is neutral because the district court case is not stayed.

An opposed motion to stay was filed in the parallel litigation, but the District Court denied the motion as being premature. EX2006, 1-2; *see generally* EX2009. While a subsequent motion may be filed, the Board should not speculate whether the court would grant a stay in the event this proceeding were instituted. Factor one, therefore, is neutral. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12 (P.T.A.B. May 13, 2020) (“*Fintiv IP*”) (holding the Board should “decline to infer . . . how the District Court would rule should a stay be requested by the parties.”); *see also Fusion Orthopedics, LLC v. Extremity Medical, LLC*, IPR2023-00894, Paper 15 at 28-29 (P.T.A.B. Nov. 17, 2023) (“[W]e decline to speculate whether the pending motion to stay might be successful.”).

B. Factor 2 strongly favors denial because trial will begin nearly six months before the FWD deadline.

Factor two weighs heavily in favor of discretionary denial. The projected statutory deadline for issuing a FWD in this IPR is October 9, 2026. Jury selection in the parallel litigation is scheduled to begin April 20, 2026, which is nearly six months before the projected FWD deadline. EX2001, 1. Even considering median

time-to-trial statistics,¹ the estimated trial date would still be well before the projected FWD date. The median time-to-trial for civil actions in the Eastern District of Texas is 23 months. EX2002, 35. The complaint in the parallel litigation was filed June 20, 2024. Thus, under median-time-to-trial the estimated trial date would be May 20, 2026—which is still nearly five months before the projected FWD deadline. Indeed, among the Director’s first decisions under the new discretionary denial briefing procedures, the Director determined to exercise discretion to deny institution where the timing of the district court was similarly set to conclude months before the projected FWD date. *Arm Ltd. et al. v. Daedalus Prime LLC*, IPR2025-00207, Paper 10 at 2 (P.T.A.B. May 16, 2025) (denying institution where trial was scheduled five months prior to the FWD date); *Ericsson Inc. et al. v. Procomm Int’l PTE. LTD*, IPR2024-01455, Paper 15 at 2 (P.T.A.B.

¹ Although the USPTO rescinded the Memorandum re: Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation (issued June 21, 2022; rescinded February 28, 2025), evidence that the parties make of record that bears on the proximity of the district court’s trial date may be considered. See Guidance on USPTO’s rescission of “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation, 3 (March 24, 2025).

May 16, 2025) (denying institution where “the related district court trial is set to conclude substantially before a final written decision will issue”); *see also AT&T Services Inc. et al. v. ASUS Tech. Licensing Inc.*, IPR2024-00992, Paper 14 at 10-11 (P.T.A.B. Dec. 16, 2024) (denying institution; finding “the second factor weighs substantially in favor of discretionary denial” where trial was scheduled “four to five months prior” to FWD deadline); *Ericsson Inc. et al. v. Active Wireless Techs. LLC*, IPR2024-00886, Paper 8 at 8-9 (P.T.A.B. Nov. 12, 2024) (denying institution; finding factor 2 weighs in favor of denial with trial date approximately 4 months prior to FWD deadline).

C. Factor 3 strongly favors denial because of significant investment made by the parties and the district court in the parallel litigation.

Factor three weighs strongly in favor of denying institution. Here, the relevant consideration is “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*, 9 (emphasis added). The deadline for issuing a Decision on Institution (DI) in this IPR is October 9, 2025. The parties have already exchanged invalidity and infringement contentions, are engaged in fact discovery, and will have exchanged claim construction positions prior to the July 9, 2025 due date of Patent Owner’s Preliminary Response. By the October 9, 2025 DI deadline, the parties will have completed claim construction briefing and the Claim Construction Hearing will be mere days away (on October 17, 2025). EX2001, 4. Additionally,

the deadline to substantially complete document production will have passed (on September 5, 2025), and the parties will be nearing the end of fact discovery.

EX2001, 3-5.

Moreover, Petitioner was also not diligent in filing the Petition. Petitioner has known of the '144 patent since at least November 15, 2022. EX2005, 32. And Petitioner cited numerous members of the '144 patent family in applications with priority dates as early as 2007. *Id.* Additionally, Petitioner waited almost eight months after the district court complaint in the parallel litigation was filed (the same day Petitioner was served with a copy of the complaint) to file the instant Petition. While the Petition challenges claims 1-5 and 7-20 of the '144 patent, there are only three independent claims, which share many of the same limitations, and there is significant overlap in the dependent claims. Taking nearly eight months to challenge three independent claims and their dependents was not diligent here.

Because the parties and the court will have expended significant resources by the October 9, 2025 DI deadline and because Petitioner was not diligent in filing the Petition, factor three weighs strongly in favor of denying institution.

D. Factor 4 strongly favors denial because there is complete overlap between the Petition and the parallel proceeding.

Factor four strongly weighs in favor of denying institution. *Fintiv* factor four looks at the overlap between the issues raised in the IPR petition and in the parallel proceeding in order to evaluate “concerns of inefficiency and the possibility of

conflicting decisions.” *Fintiv*, 12. Here, there is complete overlap between the invalidity issues. Both the Petition and district court invalidity contentions challenge claims 1-5 and 7-20 of the ’144 patent. Pet., 1; EX2003, 1, 39-41, 53-56.

Further, Petitioner’s stipulation here does little to mitigate concerns of inefficiency or duplication of effort such that “th[is] IPR proceeding[] would be a ‘true alternative’ to the district court proceeding.” *Motorola Solutions, Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19 at 3-4 (P.T.A.B. Mar. 28, 2025) (on Director review vacating panel’s institution decision and denying under *Fintiv*). Petitioner’s stipulation only provides for a limited restriction on the use of printed publications as evidence of features of any devices that may be used in an invalidity combination.² See Paper 8. In fact, Petitioner’s invalidity contentions rely on over four pages of non-patent publications, many of which are user manuals or otherwise describe systems. See EX2003, 22-27; see also *id.*, Apps. C7-C12 (Petitioner’s invalidity charts based on system art described in printed

² The limited exceptions are grounds that include the four references named in the Petition’s grounds (section three of the stipulation) and grounds that use any patent or publication cited in the Petition (section four of the stipulation). Paper 8. Section four does not preclude the use of publications cited in expert testimony or merely listed as an exhibit, but not cited in the Petition.

publications). Thus, even if this IPR is instituted, it will not be a “true alternative” to the parallel proceeding because the district court judge and jury will still have to decide complex invalidity issues based on printed publications that could have been used to support challenges in this IPR. Petitioner’s stipulation also does not prevent it from pursuing its contentions that all of the claims challenged in the Petition are invalid under §§ 101 and 112 (EX2003, 53-56; EX2004, 41-53), which further exacerbates the inefficiencies and potential for inconsistent results (e.g., different claim constructions) that would result from allowing Petitioner to proceed in both forums.

Accordingly, factor four weighs strongly in favor of denying institution because there is complete overlap in validity issues and Petitioner’s stipulation here does little to mitigate concerns of inefficiencies and duplication of effort.

E. Factor 5 favors denial because the parties involved in this IPR and the district court proceeding overlap.

Factor five weighs in favor of denying institution because the parties in the parallel litigation are the same. *See* Pet., 91; *Fintiv II*, 15 (“Because the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial.”).

F. Factor 6 favors denial because the Petition fails to demonstrate that one or more of the claims are unpatentable.

Factor six weights in favor of denying institution because the merits of the Petition are weak. As will be explained in Patent Owner’s Preliminary Response (POPR)³, the Petition fails to establish that the challenged claims would have been obvious over the various combinations of references in Grounds 1B-4B. Therefore, factor six favors denying institution. *Fintiv*, 15.

G. Considered as a whole, the *Fintiv* factors strongly weigh in favor of denial.

In sum, the scheduled trial date is nearly six months before the projected FWD, the parties will have invested significant resources in the district court at the time of the institution decision, Petitioner’s stipulation here does little to alleviate concerns of inefficiency and ensure this IPR would be a “true alternative” to the parallel district court proceeding, and the Petition merits are weak. Thus, five of the *Fintiv* factors (factors two through six) either favor or strongly favor denial and the remaining factor is neutral. Accordingly, the Director should exercise discretion to deny the Petition in view of the parallel litigation.

³ Patent Owner asks the Director to consider the full merits briefing presented in the POPR when considering *Fintiv* factor 6. *See* EX2008, Questions 12, 25.

III. THE PETITION SHOULD BE DENIED UNDER § 314(A) IN VIEW OF OTHER CONSIDERATIONS.

The Board's Memorandum on the Interim Process for PTAB Workload Management presents additional considerations for discretionary denial that are applicable here, including:

- Settled expectations of the parties, such as the length of time the claims have been in force; and
- Any other considerations bearing on the Director's discretion.

See Interim Processes Memo, 2. These additional considerations are further reason the Director should exercise discretion to deny institution of this proceeding.

A. Keyless has a settled expectation in its property rights to the '144 patent (which is now expired) and it would be inequitable to require it to litigate in two forums.

Instituting this IPR would unjustly deprive Keyless of its reasonable and settled expectation that it may rely on its property rights in the '144 patent. The '144 patent claims priority to a U.S. provisional patent application filed on April 18, 2003. EX1001, 1. The public has been on notice of the subject matter claimed in the '144 patent for over 20 years (since at least the November 4, 2004 publication date of PCT/2004/012082, to which the '144 patent also claims priority). Petitioner itself has known about the '144 patent at least since November 2022. EX2005, 32. Further, the '144 patent expired on May 19, 2025—almost five months before the deadline for an institution decision in this IPR and *well over a*

year before a FWD would issue in this IPR. The district court would be a better forum to resolve invalidity issues under these facts.

Although the USPTO *may* reconsider its decision to grant a patent in an IPR, it is never required to do so. *See Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion”); 35 U.S.C. § 314(a). Indeed, the Board has taken into account the imposition of undue inequities and prejudices to Patent Owner when considering whether to institute an IPR. *See General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 17 (P.T.A.B. Sept. 6, 2017) (“Our intent in formulating the factors was to take undue inequities and prejudices to Patent Owner into account.”).

Keyless is a small, inventor-owned company. EX2005, 3. Mr. Ghassabian, the inventor of the ’144 patent, has a reasonable expectation that the patent granted to him by the USPTO for his inventions is valid and enforceable. It would clearly impose undue inequities to force him to litigate in two forums—with the associated vast increase in costs and duplication of effort—against Samsung Electronics (a large Korean corporation) and Samsung Electronics America (a large America corporation). Further, considering the early priority date of the ’144 patent and that its term has expired, it would disrupt Keyless’s settled expectations to have the Board reconsider the patentability of the challenged claims at this late date.

Additionally, institution of an IPR for an expired patent would not be an efficient use of the Board's finite resources.

B. Instituting this IPR would not reduce the number of issues for the judge and jury to decide in the district court case.

The Director should also deny institution because instituting an IPR would not reduce the number of issues adjudicated by the district court judge and decided by a jury. Petitioner's stipulation here does not meaningfully reduce the number of issues that need to be resolved in the district court. As depicted in the below chart, in the district court, Petitioner is asserting numerous invalidity anticipation and obviousness grounds against the '144 patent:

**Table 6: Exemplary Anticipatory and Combinations
for the Asserted Claims of the '144 Patent**

Chart	Prior Art References
C1	Bast in view of one or more of Wedel, Rydbeck, Yamaguchi, Dutta, Nakano, Kobayashi, Benoit, Pensjo, Jambhekar, and Gupta
C2	Pensjo in view of one or more of Bast, Wedel, Rydbeck, Yamaguchi, Dutta, Nakano, Kobayashi, Benoit, Jambhekar, and Gupta
C3	Mouton in view of one or more of Bast, Wedel, Rydbeck, Yamaguchi, Dutta, Nakano, Kobayashi, Benoit, Pensjo, and Jambhekar
C4	Nakano in view of one or more of Bast, Wedel, Rydbeck, Yamaguchi, Dutta, Kobayashi, Pensjo, Jambhekar, and Gupta
C5	Gupta in view of one or more of Bast, Wedel, Rydbeck, Yamaguchi, Dutta, Kobayashi, Benoit, Pensjo, and Jambhekar
C6	Dutta in view of one or more of Bast, Wedel, Rydbeck, Yamaguchi, Nakano, Kobayashi, Benoit, Jambhekar, and Gupta
C7	MyOrigo Magazine in view of one or more of Bast, Wedel, Rydbeck, Yamaguchi, Dutta, Nakano, Benoit, Jambhekar, and Gupta
C8	MyOrigo Manual in view of one or more of Wedel, Rydbeck, Yamaguchi, Dutta, Nakano, Kobayashi, Benoit, Jambhekar, and Gupta
C9	Sony P800 in view of one or more of Bast, Wedel, Rydbeck, Yamaguchi, Dutta, Nakano, Kobayashi, Benoit, Pensjo, Jambhekar, and Gupta
C10	Apple Newton in view of one or more of Bast, Wedel, Rydbeck, Yamaguchi, Dutta, Nakano, Kobayashi, Benoit, Pensjo, Gupta, Mouton, MyOrigo Magazine, and Sony P800
C11	Motorola Moto E 2 nd Gen. in view of one or more of Bast, Pensjo, Gupta, Wedel, Rydbeck, Yamaguchi, Dutta, and Benoit
C12	Lumia 640 in view of one or more of Bast, Pensjo, Gupta, Wedel, Rydbeck, Yamaguchi, and Dutta

EX2003, 39-40. Six of the complex combinations asserted in district court are based on system art (evidenced by printed publications), which further highlights the insignificance of Petitioner’s stipulation. *See Motorola*, Paper 19 at 3-4 (on Director review denying under *Fintiv* where Petitioner’s stipulation did not ensure the IPR proceedings would be a “true alternative” to the district court proceeding). Additionally, Petitioner is asserting in district court that the claims of the '144 patent are invalid for multiple reasons under § 112 and further asserts all of the

claims are invalid under § 101. EX2003, 53-56; EX2004, 41-53. Thus, institution of an IPR here will not meaningfully affect the complex invalidity issues that will still need to be decided in the district court proceeding.

Instituting an IPR would also not reduce claim construction issues. Petitioner states that “no terms need construction to resolve the controversy in this forum.” Pet., 21. Yet, Petitioner expressly reserves “the right to argue in an appropriate forum that certain limitations in the challenged claims are indefinite” and Petitioner has already advanced indefiniteness allegations in its infringement contentions. Pet., 21 n.5; EX2003, 55-56. Rather than helping the district court, instituting an IPR would complicate claim construction issues because the Petitioner appears to be taking inconsistent positions—plain and ordinary meaning for all terms in the IPR but different constructions in district court—based at least on indefiniteness.

This IPR is not a “true alternative” to the district court proceeding, but would only increase cost and complexity of resolving the dispute between the parties if instituted. Accordingly, the Director should exercise discretion to deny institution.

C. It would require an inordinate amount of Board resources to address Petitioner’s deficient priority date allegations and incorrect application of the AIA.

The ’144 patent is a continuation of U.S. application 14/146,125, which is a

continuation of U.S. application 10/553,575, which is a national stage entry of PCT/US2004/012082 filed on April 19, 2004 that clearly claims priority to a U.S. Provisional application filed on April 18, 2003 and is entitled to at least that priority date. EX1001, 1. Because the '144 patent has an effective filing date prior to March 16, 2013, it falls under the pre-AIA statutory provisions of §§ 102 and 103. *See* 35 U.S.C. § 100 (note). Not only does Petitioner attempt to call into question the priority date of the '144 patent, it complicates an already complex issue by asserting that the AIA provisions apply to the '144 patent. Pet., 14-20. Further, the majority of Petitioner's "priority" dispute is in reality an improper assertion that the claims of the '144 patent do not meet the requirements of § 112—a ground not permitted to be brought before the Board. *See* Pet., 18-19 ("Neither the '144 patent's specification nor any of its claimed priority applications . . . contain any support for the limitations of claims 3, 4, 12, 13, and 15-20.") (emphasis added); Pet., 19 (improper assertion *the '144 patent's specification* and its priority applications fail to disclose the subject matter of claim 8). Not only would it be improper for the Board to resolve Petitioner's § 112 written description allegations, resolving the issues caused by Petitioner's claim would take a significant amount of the Board's time.

Petitioner relies on Bast—a reference that is *not* prior art to the '144 patent—for all of the unpatentability challenges presented in the Petition. *See* Pet.,

23. As Petitioner noted, Bast is a European Patent Application published on August 20, 2003, which is four months *after* the April 18, 2003 priority date of the '144 patent. Pet., 22; EX1001, 1. In fact, the '144 patent claims priority to *six* additional provisional applications that pre-date Bast. EX1001, 1:9-15. Petitioner wrongly asserts that Bast is prior art under pre-AIA § 102(a). *See* Pet., 22. But, pre-AIA § 102(a)(1) requires publication *before* the invention. *See* 35 U.S.C. § 102(a)(1). Nor is Bast prior art under pre-AIA § 102(e). Under the pre-AIA statutory scheme (which the '144 patent falls under), Bast is *not* entitled to its European priority date. *See* 35 U.S.C. § 102(e) (pre-AIA) (requiring the application to be filed in the United States or be a PCT application that designated the United States and was published in English). Thus, Petitioner's assertion that Bast is prior art relies entirely on its incorrect and insufficiently supported assertions that the '144 patent is not entitled to its priority date and the AIA statutory provisions apply to the '144 patent.⁴

Petitioner's allegations that the '144 patent is not entitled to its priority date

⁴ Petitioner cannot correct its deficiencies in subsequent briefing because the Petitioner has the burden from the onset to show with particularity, in its Petition, the evidence that supports its challenges. *See Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1363 (Fed. Cir. 2016).

are based on the following unsupported assertions: 1) No application before January 22, 2017 discloses the subject matter of claims 3, 4, 12, 13, and 15-20 (Pet., 18-19) or 8 (Pet., 19-20); and 2) No application before March 11, 2004 discloses the subject matter of claims 1-14 (Pet., 16-18). The first allegation is also the basis for Petitioner's purported assertion that the '144 patent falls under the AIA. *See* Pet., 20.

Petitioner's first assertion—that no application before January 22, 2017 discloses the subject matter of claims 3, 4, 12, 13, and 15-20—is not a true priority dispute, but an allegation the challenged claims are invalid under § 112. *See* Pet., 18-19 (alleging neither *the '144 patent's own specification* nor any of its priority applications support the limitations and alleging the limitations were first added by amendment dated August 16, 2020 (after the filing date of the '144 patent)).

Although the Board can determine priority disputes, the Board does not have jurisdiction to hear invalidity arguments based on § 112, so this issue should be left to the district court.⁵ Further, the Board should not spend any time resolving priority allegations that are really written description arguments in disguise.

⁵ 35 U.S.C. § 311 limits the challenges that may be raised in an *inter partes* review to grounds under sections 102 and 103 and only on the basis of prior art consisting of patents or printed publications.

Petitioner's purported assertion that AIA provisions of § 102 apply relies solely on its § 112 arguments (Pet., 20); thus, this issue should also be left to the district court judge and jury.

Petitioner's second assertion regarding the March 11, 2004 priority date is based on two conclusory sentences, unsupported by testimony, that the earliest provisional application does not provide written description support and the next eleven provisional applications also do not. *See* Pet., 16. This bare conclusory assertion is insufficient to reasonably call into question the priority date of the '144 patent and shift the burden of production to Patent Owner. The Board's resources should not be spent resolving a priority dispute based on such cursory and conclusory allegations.⁶

Even in the event that the Board determined to accord the '144 patent an effective filing date of March 11, 2004, the inquiry would not end. Bast was

⁶ Further, the Board should not revisit an issue already considered by the USPTO. The Office acknowledged the '144 patent priority claim to April 18, 2003 and the Examiner withdrew all prior art rejections that cited references after this priority date. *See* EX1004, 574 (the inventor, Mr. Ghassabian's, arguments that the Office action should be withdrawn in light of the priority date accorded to the '144 patent); 578-583 (Notice of Allowance issued in response to the remarks).

published on August 20, 2003—less than one year before the purported March 11, 2004 priority date of the '144 patent. Under the pre-AIA statutory provisions applicable to the '144 patent, Keyless would then be entitled to submit evidence to antedate Bast. *See* 37 C.F.R. § 1.131. Antedating a reference requires substantial consideration of factual evidence and determination of credibility issues that are not the best use of PTAB resources here. The PTAB is generally not the best forum to resolve credibility issues given that live testimony is discouraged and its use has been almost non-existent since the inception of AIA trials. *See* Patent Trial and Appeal Board Consolidated Trial Practice Guide, 32 (Nov. 2019) (“TPG”) (“Live testimony will be necessary only in limited circumstances and requests for live testimony will be approached by the Board on a case-by-case basis.”). Thus, under the facts presented here, the district court would be better positioned to adjudicate this issue.

To be sure, Keyless is not asking the Director to resolve the priority dispute or determine whether the pre-AIA or AIA statutory scheme applies to the '144 patent. Rather, Keyless highlights the amount of resources that Petitioner is necessarily asking the Board to devote before even reaching the merits of the challenges. The Board's resources would be better spent elsewhere rather than addressing issues caused by Petitioner's failure to base its challenges on references that indisputably pre-date the priority date of the '144 patent.

D. The Director should deny this Petition because Petitioner fails to show any cause for this second parallel petition challenging the '144 patent.

Petitioner filed two concurrent Petitions (IPR2025-00529 and this IPR) challenging the validity of the '144 patent claims. Paper 2, 1. Petitioner alleges that its circumstances fall under an example provided by the Board for justifying the institution of multiple petitions. *Id.* But, the true circumstances here do not constitute any cause that is recognized by the Board as necessitating multiple petitions. Rather, the multiple petitions here are a transparent attempt to circumvent the Board's guidance on filing multiple petitions.

The Board has recognized that one petition should be sufficient to challenge the claims of a patent and “[t]wo or more petitions filed against the same patent at or about the same time . . . may place a substantial and unnecessary burden on the Board and the patent owner and could raise fairness, timing, and efficiency concerns.” TPG, 59 (citing 35 U.S.C. § 316(b)). Although the Board recognizes there may be circumstances in which more than one petition may be necessary, the Board notes this “should be rare.” *Id.*

Petitioner alleges that the parallel petitions here fall under the example provided by the TPG for justifying the institution of multiple petitions because it is a “dispute about priority date.” *See* Paper 2, 3-4 (citing TPG, 59). However, this justification falls apart upon a closer look at the true circumstances of the petitions

here. The circumstances envisioned by the TPG, in which the priority dispute “require[es] arguments under multiple prior art references,” are circumstances in which one set of arguments *are* affected by the priority dispute, “requiring” a second set of arguments that are *not* affected by the priority dispute. *See* TPG, 59. Here *both* Petitions have issues with references that are not indisputably prior art—thus, a second petition is not truly required to avoid a priority date dispute.

In the -00529 Petition, Petitioner relies on Pensjo and Benoit in its challenges. Paper 2, 1–2. Petitioner acknowledges that Keyless may seek to swear behind these references because they are both published less than one year prior to the priority date of the ’144 patent. *Id.* However, rather than presenting a second petition with *earlier* prior art, Petitioner presents this Petition, which relies on a reference (Bast) with priority dates *after* the priority date of the ’144 patent. *Id.*, 2. The priority date issue did not, therefore, require the filing of this Petition. Thus, the multiple petitions here are a transparent attempt to circumvent the Board’s guidance that “one petition should be sufficient.” TPG, 59. This is even more apparent from Petitioner’s assertion that the obviousness grounds contain material differences (Paper 2, 2-3)—a reason not recognized as justification in the TPG and highlighting the substantial and unnecessary burden that would be placed on both the Board and Keyless by the multiple petitions.

Because Petitioner has not shown good cause (or indeed any real cause) for

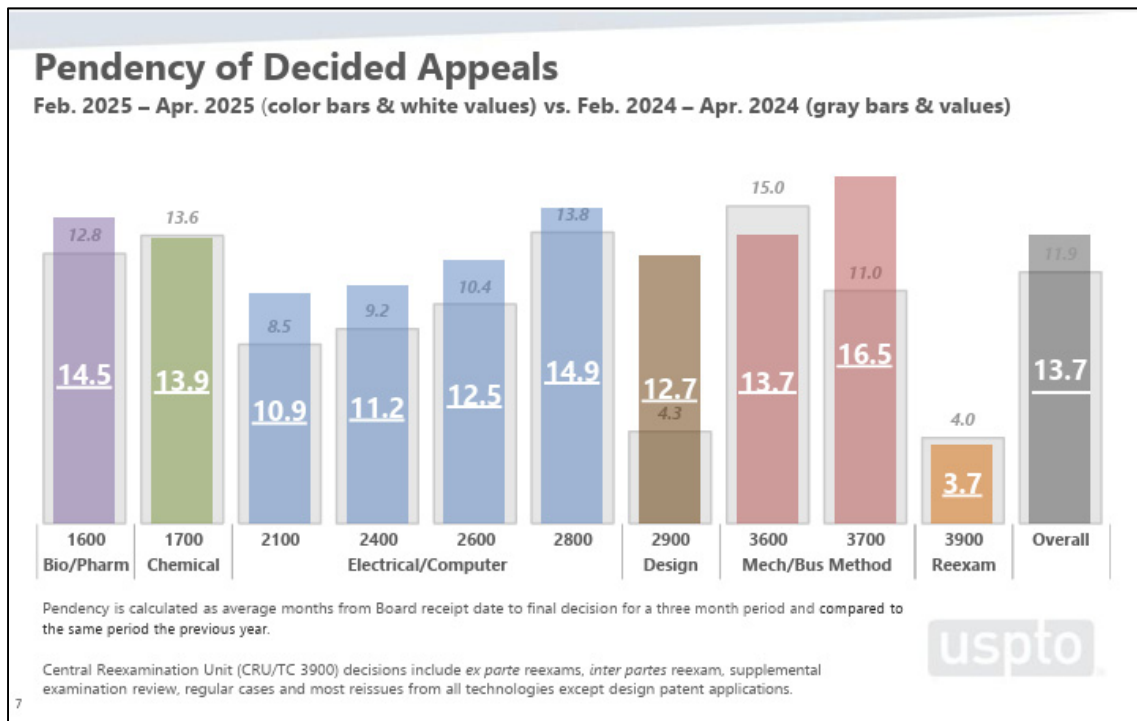
its multiple petitions, the Director should exercise discretion to deny at least one of these parallel petitions. Petitioner ranks this Petition second. Paper 2, 1. Given the reliance in this Petition on a reference with a priority date *after* the '144 patent and the complex priority dispute that this Petition presents (discussed previously), this Petition should be denied.⁷

E. PTAB resources are better spent on *ex parte* appeals.

The Director should also deny institution because the Board's limited resources are better spent on the growing backlog of *ex parte* appeals. Under 35 U.S.C. § 6(b)(1), the Board is tasked with "review[ing] adverse decisions of examiners upon applications for patents pursuant to section 134(a)." Congress also tasked the Board with reviewing appeals of reexaminations, derivation proceedings, IPRs, and PGRs. 35 U.S.C. § 6(b)(2)-(4). But current Office policy is to focus on *ex parte* appeals: "[t]o ensure that the PTAB continues to meet its statutory obligations as to *ex parte* appeals, while continuing to maintain its capacity to conduct AIA proceedings, the Director will exercise her discretion on institution of AIA proceedings" Interim Processes Memo, 1. The Director should exercise that discretion here because the pendency of *ex parte* appeals has

⁷ The -00529 Petition should also be discretionarily denied for reasons discussed in Keyless's brief in that proceeding.

increased nearly 20% from an average of 11.9 months in April 2024 to 13.7 months in April 2025. EX2007, 7. Indeed, in 2025, the pendency has increased in almost every technical center. Shown below, the time (in months) to a final decision has increased in 2025 (shown with the color bars and white values) compared to the same data from 2024 (shown with the gray bars and gray values).



EX2007, 7.

To balance the Board’s competing duties, while working to reduce the average time to final decision in individual *ex parte* appeals and the 4,590⁸ currently outstanding *ex parte* appeals overall, the PTAB should focus its efforts

⁸ According to USPTO data, current as of April 30, 2025. EX2007, 5.

where they will have the most impact. To be sure, in some instances the greatest impact will be in instituting trial in a particular IPR. But under the circumstances presented here, resources should not be diverted from the Office's current focus on reducing the backlog of pending *ex parte* appeals.

IV. CONCLUSION

Litigating the same or similar issues in this proceeding as the issues that are already scheduled to get resolved (sooner) in the district court would be duplicative and contrary to the intent 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*, Paper 8 at 19-20. Given the advanced state of the district court litigation, the settled expectations of Keyless in its property right, Petitioner's reliance on references that are not prior art to the '144 patent, and Petitioner's submission of a parallel petition challenging the claims of the '144 patent, the Director should exercise discretion to deny institution.

Respectfully submitted,

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CERTIFICATE OF WORD COUNT (37 C.F.R. § 42.24(d))

1. This Patent Owner's Brief on Discretionary Denial complies with the type-volume limitation of 14,000 words, comprising 5,170 words, excluding the parts exempted by 37 C.F.R. § 42.24(a)(1).

2. This Patent Owner's Brief on Discretionary Denial complies with the general format requirements of 37 C.F.R. § 42.6(a) and has been prepared using Microsoft® Word 2016 in 14-point Times New Roman font.

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

I certify that the above-captioned **PATENT OWNER'S BRIEF ON DISCRETIONARY DENIAL** and associated Exhibits 2001-2009 were served in their entireties on June 9, 2025, upon the following parties via electronic mail:

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