

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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SONY INTERACTIVE ENTERTAINMENT LLC

Petitioner

v.

AX WIRELESS, LLC

Patent Owner

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Case No. IPR2025-00960

U.S. Patent No. 10,917,272

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

Mail Stop PATENT BOARD  
Patent Trial and Appeal Board  
U.S. Patent and Trademark Office  
P.O. Box 1450  
Alexandria, VA 22313-1450  
*Submitted Electronically via PTAB E2E*

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<b>Exhibit</b>	<b>Description</b>
2001	Patent Owner Complaint filed in United States International Trade Commission, February 19, 2025
2002	Petitioner Response to Complaint, April 25, 2025
2003	Assignment to Administrative Law Judge (“ALJ”) Monica Bhattacharyya on March 24, 2025
2004	Order No. 1, Protective Order, March 27, 2025
2005	Order No. 2, Ground Rules, March 27, 2025
2006	District Court litigation stayed on March 31, 2025
2007	Notice Investigation reassigned to ALJ Doris Johnson Hines, April 9, 2025
2008	Notice of New Ground Rules, April 10, 2025
2009	Order No. 7, Setting 16 Month Target Date and Preliminary Conference, April 15, 2025
2010	Order No. 9, Procedural Schedule, April, 29, 2025
2011	Service email with Complainant’s Preliminary and Technical Domestic Industry Contentions, June 23, 2025
2012	Exhibit 1, Respondents’ Disclosure of Initial Invalidity Contentions
2013	Joint Mediation Report
2014	Joint Motion to Stay the Procedural Schedule
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2016	Section 337 Statistics: Average Length of Investigations
2017	Petitioner’s Sotera Stipulation
2018	Decision Granting Institution of Inter Partes Review, February 14, 2024
2019	Notice Letter to Lee Hill from Robert Colao, January 27, 2022
2020	USPTO Chart, Pendency of Decided Appeals April 2025 – June 2025

## I. INTRODUCTION

Patent Owner AX Wireless, LLC (“Patent Owner”) respectfully requests that the Director exercise discretion under 35 U.S.C. § 314(a) to deny Petitioner Sony Interactive Entertainment LLC’s (“Petitioner”) petition for *inter partes* review of U.S. Patent No. 10,917,272 (the “’272 Patent”). Pursuant to Acting Director Stewart’s March 26, 2025 Memorandum titled “Interim Processes for PTAB Workload Management” (the “PTAB Workload Management Memo”)<sup>1</sup>, this brief is limited in scope to Patent Owner’s bases for discretionary denial.<sup>2</sup> As discussed below, both the *Fintiv* factors and additional considerations bearing on the Director’s discretion strongly support denying the Petition.

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<sup>1</sup> <https://www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf>, accessed on July 15, 2025.

<sup>2</sup> In accordance with the Patent Trial and Appeal Board’s (“PTAB”) FAQs for Interim Processes for PTAB Workload Management (“PTAB Interim Workload FAQs”), Patent Owner does “not repeat [its] merits arguments verbatim” in this brief and instead “briefly explain[s] why the merits are relevant [herein].” See <https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management>, FAQ 12, accessed on May 13, 2025. Patent Owner will separately 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 PTAB Workload Management Memo. See 37 C.F.R. § 42.107(b). In accordance with the PTAB Interim Workload FAQs, Patent Owner requests that the Director “consider the merits in the [forthcoming] merits briefing” (i.e., Patent Owner’s Preliminary Response) as part of the discretionary denial analysis. See *PTAB Interim Workload FAQs*, FAQ 12.

## II. LEGAL STANDARDS

The Director has discretion to deny institution under 35 U.S.C. § 314(a). *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 136 S. Ct. 2131, 2140 (2016). In determining whether to deny institution, the USPTO considers the presence and status of parallel proceedings involving the same patent, such as investigations at the International Trade Commission.<sup>3</sup> *See NHK Spring Co. Ltd. v. Intri-Plex Techs. Inc.*, IPR2018-00752, Paper 8 at 20 (P.T.A.B. Sept. 12, 2018) (precedential); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 17 (P.T.A.B. May 13, 2020) (precedential) (hereinafter “*Fintiv*”); *see also Gen. Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 16–17 (P.T.A.B. Sept. 6, 2017) (“[W]e recognize that an objective of the AIA is to provide an effective and efficient alternative to district court litigation . . .”).

*Fintiv* “sets forth factors that balance considerations of system efficiency, fairness, and patent quality when a patent owner raises an argument for discretionary denial due to the advanced state of a parallel proceeding.” *Fintiv*, Paper 15 at 7–8. The factors the Board considers in determining whether to exercise its discretion are:

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<sup>3</sup> “[T]he Board will apply the *Fintiv* factors when there is a parallel proceeding at the International Trade Commission.” *See* [https://www.uspto.gov/sites/default/files/documents/guidance\\_memo\\_on\\_interim\\_procedure\\_recission\\_20250324.pdf](https://www.uspto.gov/sites/default/files/documents/guidance_memo_on_interim_procedure_recission_20250324.pdf), accessed July 17, 2025. The PTAB treats parallel ITC investigations the same as parallel district court litigations.

- (1) whether the court granted a stay or evidence exists that a stay may be granted;
- (2) proximity of the court's trial date to the Board's projected deadline for a FWD;
- (3) investment in the parallel proceeding by the court and parties;
- (4) overlap between issues raised in the petition and the parallel proceeding;
- (5) whether the petitioner and the defendant in the parallel proceeding are the same party; and
- (6) other considerations that impact the Board's discretion, including the merits.

*Fintiv*, IPR2020-00019, Paper 15 at 7–8.

The PTAB Workload Management Memo enumerated a number of additional considerations for 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.

*PTAB Workload Management Memo*, 2–3.

### **III. BACKGROUND ON PARALLEL UNITED STATES INTERNATIONAL TRADE COMMISSION INVESTIGATION**

Patent Owner filed a complaint against Petitioner on February 19, 2025, with the United States International Trade Commission (“ITC”). Ex. 2001. Petitioner responded to the complaint on April 25, 2025. Ex. 2002. The complaint accuses Petitioner of infringing the ’272 Patent, as well as U.S. Patent Nos. 11,646,927, 11,777,776, and 12,063,134 (which are not subject to *inter partes* review).

The investigation was assigned to Administrative Law Judge (“ALJ”) Monica Bhattacharyya on March 24, 2025, Ex. 2003, and the ALJ instituted the investigation and entered its Protective Order and Ground Rules on March 27, 2025. Exs. 2004, 2005. The parallel district court litigation was stayed pending the results of the ITC investigation pursuant to 28 U.S.C. § 1659 on March 31, 2025. Ex. 2006. The investigation was reassigned to ALJ Doris Johnson Hines on April 9, 2025. Ex. 2007. The ALJ entered new Ground Rules on April 10, 2025. Ex. 2008. On April 15, 2025, the ALJ set a sixteen-month target date for completion (i.e., the full Commission's final determination) of the investigation by July 27, 2026. Ex. 2009. At the same time, the ALJ set the deadline for initial determination at March 27, 2026. Ex. 2009. On April 29, 2025, the ALJ entered its Procedural Schedule. Ex. 2010.

Patent Owner served its Preliminary Infringement Contentions and Petitioner served its Preliminary Invalidity Contentions on June 23, 2025. Exs. 2011, 2012.

Petitioner served over 4,600 pages of invalidity contentions, including allegations that the asserted claims of the '272 Patent are invalid under 35 U.S.C. § 103 in view of various combinations of references. Patent Owner and Petitioner have already exchanged numerous interrogatories (“ROGs”), and requests for production (“RFPs”). The parties have submitted their Joint Claim Construction Statement, filed opening and responsive claim construction briefs, and identified witnesses. Ex. 2010. The parties participated in mediation on August 7, 2025, and submitted their joint report on mediation on August 14, 2025. Ex. 2013. Fact discovery is scheduled to close on August 29, 2025, all expert reports are scheduled to be served by September 15, 2025, and expert discovery is scheduled to close on October 14, 2025. Ex. 2010. The hearing is scheduled for December 17–19, 22 and 23, 2025. Ex. 2010. The initial determination is due no later than March 27, 2026. Ex. 2010. The target date for completion of investigation is scheduled for July 27, 2026. Ex. 2010.

The institution decision is not expected until December 25, 2025, and a final written decision (“FWD”) is not expected until December 25, 2026—nearly five months after the ITC completes its investigation.

#### **IV. ANALYSIS OF THE *FINTIV* FACTORS**

##### **A. FACTOR 1: A STAY AT THE ITC IS HIGHLY UNLIKELY**

The parties have reached an agreement in principle to settle. On August 8, 2025, the parties requested a 14-day stay of the ITC investigation to finalize the

agreement. Ex. 2014. The Court granted the 14-day stay on August 11, 2025. Ex. 2015. On August 22, 2025, the Parties requested an additional 10 business day stay until September 8, 2025. However, if the parties do not settle, Patent Owner has no intention of seeking or consenting to a further stay. Moreover, even if the Board decided to institute and Petitioner were to move for an additional stay, it is highly unlikely that the ITC would grant such a motion.

Under Section 337 of the Tariff Act of 1930 and 19 U.S.C. § 1337(b)(1), the ITC is required to conclude its investigation and make its determination “at the earliest practicable time.”<sup>4</sup> Thus, the ITC seldom grants stays<sup>5</sup> and is highly unlikely to do so here absent a settlement between the parties.<sup>6</sup>

**B. FACTOR 2: THE ITC TARGET DATE FOR COMPLETION OF INVESTIGATION IS FIVE MONTHS BEFORE THE EXPECTED FINAL WRITTEN DECISION DATE**

The precedential *Fintiv* decision, IPR2020-00019 at Paper 11, in discussing the earlier *NHK* decision, expressly noted that:

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<sup>4</sup> 19 U.S.C. § 1337(b)(1); *see also*, [https://www.usitc.gov/press\\_room/us337.htm](https://www.usitc.gov/press_room/us337.htm), accessed July 16, 2025 (“The USITC is required to conclude its investigation at the earliest practicable time, and must, within 45 days after an investigation is instituted, establish a target date for issuing its final determination.”).

<sup>5</sup> *See e.g.*, *In the Matter of Certain Vehicle Telematics, Fleet Mgmt., and VideoBased Safety Systems, Devices, and Components*, Inv. No. 337-TA-1393, USITC Order No. 20 at 5 (Sept. 2024); *In the Matter of Certain Automated Storage and Retrieval Sys., Robots, and Components*, Inv. No. 337-TA-1228, USITC Order No. 6 at 10 (Mar. 2021).

<sup>6</sup> In fact, ALJ Hines has had five motions to stay in front of her since her appointment and has denied every one of them.

[U]nder § 314(a) the Board considered the fact that the parallel district court proceeding was scheduled to finish before the Board reached a final decision as a factor favoring denial. The Board found that the earlier district court trial date presented efficiency considerations that provided an additional basis, separate from the independent concerns under 35 U.S.C. § 325(d), for denying institution. Thus, *NHK* applies to the situation where the district court has set a trial date to occur earlier than the Board’s deadline to issue a final written decision in an instituted proceeding.

*Fintiv*, IPR2020-00019, Paper 11 at 3. The rationale for discretionary denial in *NHK* also applies here, where the target date for completing its investigation is five months before the expected FWD date.<sup>7</sup> Pursuant to Chief Administrative Patent Judge Boalick’s March 24, 2025 Memorandum titled “Guidance on USPTO’s rescission of ‘Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation’” (the “PTAB Guidance Recission Memo”), “instituting an IPR or a PGR where the ITC has set a target date for completing its investigation (i.e., the full Commission’s final determination) to occur earlier than the Board’s deadline to issue a final written decision in a challenge involving the same patent claims means that multiple tribunals may be adjudicating validity at the same time, which may increase duplication and expenses for the parties and the tribunals.”<sup>8</sup> The PTAB Guidance Recission Memo also states that “[T]he Board is

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<sup>7</sup> As noted previously, ITC proceedings are statutorily expedited, so it is highly unlikely that the target date for completion of the investigation will change significantly due to the brief stays requested by the Parties.

<sup>8</sup>[https://www.uspto.gov/sites/default/files/documents/guidance\\_memo\\_on\\_interim\\_procedure\\_recission\\_20250324.pdf](https://www.uspto.gov/sites/default/files/documents/guidance_memo_on_interim_procedure_recission_20250324.pdf), accessed July 17, 2025.

more likely to deny institution where the ITC's projected final determination date is earlier than the Board's deadline to issue a final written decision . . . .”<sup>9</sup> Thus, a target date for completing its investigation nearly *five months before* the expected FWD date weighs heavily in favor of discretionary denial.

Furthermore, the ITC’s average length of investigations for Q2 of 2025 is 18.2 months for “investigations in which the Commission rendered a final determination on the merits as to a violation”, and 13.8 months for “investigations completed during the period, including terminations based on settlements, consent orders, complaint withdrawals and merit-based final determinations.”<sup>10</sup> Ex. 2016. Here, with the target date for completion of investigation already being over 16 months after institution of the investigation, the statistics show that it is unlikely that the target date for completion of investigation will be much later than July 27, 2026. Even more so, and as mentioned above, it is highly unlikely that the target date for completion would be much later than scheduled because Section 337 of the Tariff Act of 1930 and 19 U.S.C. § 1337(b)(1) *require* the ITC to conclude its investigation and make its determination “at the earliest practicable time.”<sup>11</sup> Yet again, this

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<sup>9</sup> *Id.*

<sup>10</sup> [https://www.usitc.gov/intellectual\\_property/337\\_statistics\\_average\\_length\\_investigations.htm#\\_ftnref3](https://www.usitc.gov/intellectual_property/337_statistics_average_length_investigations.htm#_ftnref3), accessed on August 22, 2025.

<sup>11</sup> 19 U.S.C. § 1337(b)(1); *see also* [https://www.usitc.gov/press\\_room/us337.htm](https://www.usitc.gov/press_room/us337.htm), accessed July 16, 2025 (“The USITC is required to conclude its investigation at the earliest practicable time, and must, within 45 days after an investigation is instituted, establish a target date for issuing its final determination.”).

demonstrates that any final determination is likely to occur well in advance of the projected December 2026 FWD deadline.

“The current ITC schedule has . . . a final ITC determination set to pre-date the Board’s final written decision by several months. Th[is] fact[] weigh[s] against institution of this proceeding.” *Google LLC v. EcoFactor Inc.*, IPR2020-00946, Paper 11 at 11 (PTAB Nov. 18, 2020); *see also Arashi Vision (US) LLC v. GoPro, Inc.*, IPR2025-00017, Paper 11 at 10 (P.T.A.B. April 28, 2025) (finding the parallel ITC investigation completion date being seven months before the expected date of the FWD weighs in favor of discretionary denial); *Cisco Sys., Inc. v. Ramot at Tel Aviv Univ. Ltd.*, IPR2020-00122, Paper 15 at 8 (P.T.A.B. May 15, 2020) (finding a final decision being issued six months after the trial begins weighs in favor of discretionary denial) (“Because the [target date for completion of investigation] is substantially earlier than the projected statutory deadline for the Board’s final decision this factor weighs in favor of discretionary denial.”).

**C. FACTOR 3: THE PARTIES AND THE ITC HAVE INVESTED SUBSTANTIAL EFFORT IN THE PARALLEL INVESTIGATION AND WILL INVEST EVEN MORE BEFORE AN INSTITUTION DECISION**

The PTAB “consider[s] 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*, IPR2020-00019, Paper 11 at 9. By the expected institution decision date, the hearing is highly likely to have already concluded, and at worst will be completed a

few weeks afterwards. Ex. 2010. Thus, it cannot be said that the parallel ITC investigation is or will be in its early stages as of the expected institution decision date.

By the expected institution decision date, the parties and ITC will have expended significant effort and invested substantial resources, including (among other things): appointing two ALJs; establishing two Protective Orders and Ground Rules; holding numerous conferences (including monthly case management conferences); setting the Procedural Schedule; preparing and serving thousands of pages of infringement (550 pages) and invalidity contentions (4,600 pages); propounding and responding to numerous ROGs and RFPs; producing and reviewing thousands of pages of discovery; conducting depositions of fact witnesses, expert witnesses, and any third-party witnesses; going through the claim construction negotiating/briefing/hearing process; participating in a scheduled mediation including submitting a joint report; concluding fact discovery, filing any motions to compel; exchanging initial and rebuttal expert reports, finalizing witness lists, concluding expert discovery, filing any summary determination motions, exchanging exhibit lists, filing pre-hearing statements and briefs, filing any motions *in limine*, including any responses, submitting a technology tutorial, attending the pre-hearing conference and likely concluding the entire five day hearing—which, as mentioned above, concludes *before* the expected institution date. The fact that

Petitioner filed its petition within four months of the filing of the complaint does not mitigate the substantial investment that will have been made in the ITC proceeding before the institution decision. *Cf. Eunsung Global Corp. v. Hydrafacial LLC*, IPR2024-01491, Paper 17 at 13 (finding Factor 3 weighs in favor of discretionary denial “[a]lthough Petitioner was diligent in filing its Petition less than 3 months after the ITC investigation,” because “this diligence does not outweigh the substantial investment made in the ITC proceeding.”)

Under similar circumstances, the PTAB has declined to institute IPR. *See, e.g., Arashi Vision (US) LLC v. GoPro, Inc.*, IPR2025-00017, Paper 11 at 11 (P.T.A.B. April 28, 2025) (finding that because the hearing in the parallel ITC investigation had already taken place, claim construction was complete and invalidity positions had been fully developed, *Fintiv* factor 3 weighed heavily in favor of discretionary denial.); *Google LLC v. EcoFactor Inc.*, IPR2020-00946, Paper 11 at 11 (PTAB Nov. 18, 2020) (finding *Fintiv* factor 3 weighed against institution when the parties had already concluded fact and expert discovery, exchanged witness statements, exhibit lists, exhibits, and deposition designations, and by the projected date of the institution decision, the parties would have concluded all pre-trial disclosures and motion *in limine* briefing); *Charter Communications, Inc. v. Adaptive Spectrum and Signal Alignment, Inc.*, IPR2024-01379, Paper 16 at 11–13 (P.T.A.B. April 17, 2025) (finding *Fintiv* factor 3 favors

the exercise of discretionary denial because the parties had already exchanged infringement and invalidity contentions, engaged in fact discovery, exchanged proposed claim terms and preliminary claim constructions, attended a claim construction hearing, and the fact discovery deadline would have passed before the statutory deadline for issuing an institution decision); *10X Genomics v. Pres. And Fellows of Harvard College*, IPR2023-01299, Paper No. 15 at 18 (Mar. 7, 2024) (denying institution of IPR when district court case had proceeded through *Markman* hearing and parties had exchanged contentions and completed substantial fact discovery); *Samsung Elecs. Co. v. Mojo Mobility Inc.*, Paper No. 11 at 8–9 (Feb. 9, 2024) (denying institution of IPR when district court case had proceeded through fact discovery and the *Markman* hearing).

Therefore, Factor 3 also weighs heavily in favor of discretionary denial.

**D. FACTOR 4: OVERLAP OF ISSUES RAISED IN THE PETITION AND THE PARALLEL INVESTIGATION**

The references and invalidity arguments relied on in the Petition substantially overlap with those in Petitioner’s invalidity contentions in the parallel ITC investigation. Specifically, the primary references Hansen, July 2005 WWiSE and Choi in the Petition are the same primary references as those identified in Petitioner’s invalidity contentions in the parallel ITC investigation.

Additionally, there is overlap in the claims that are challenged because both of the independent claims of the ’272 Patent asserted in the underlying ITC

investigation (claims 1 and 11) are challenged in the Petition. *See* Ex. 2001; Pet. at 1. Furthermore, there is substantial overlap with the references and arguments relied on in the Petition and the parallel ITC investigation. *See* Ex. 2012; Pet. at 1–4. Therefore, the IPR would be duplicative of the parallel ITC investigation and an inefficient use of the Board’s and the ITC’s resources. *See, e.g., Caihong Display Devices Co. LTD. v. Corning, Inc.*, IPR2025-00439, Paper 18 (P.T.A.B. July 10, 2025) (denying institution where only two out of 16 claims overlapped).

Furthermore, Petitioner recently filed a *Sotera* stipulation—nearly 10 weeks after filing its Petition.<sup>12</sup> Ex. 2017. At the time Petitioner filed its Petition, it knew that there would be significant overlap between the arguments advanced in the Petition and the arguments made by Petitioner in the Parallel ITC Investigation. Thus, Petitioner should have filed its stipulation at the time of its Petition filing. Regardless, Petitioner’s stipulation is at best toothless and at worst disingenuous and should be disregarded. Petitioner’s stipulation states “Sony seeks to avoid multiple proceedings in different forums addressing the validity of the instituted claims based on the same grounds or prior art.” Ex. 2017 at 2. And yet, its stipulation does

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<sup>12</sup> Petitioner’s *Sotera* stipulation “will not be dispositive by itself” and instead should be considered “as part of [the Board’s] holistic analysis under *Fintiv*.” PTAB Guidance Recission Memo at 2–3; *see also Motorola Solutions, Inc. v. Stellar, LLC*, IPR2024-01205, -01206, -01207, -01208, Paper 19 (Director Review) at 4 (“Considering the *Fintiv* factors as a whole, the efficiency and integrity of the system are best served” by denying institution).

nothing of the sort. The ITC Investigation hearing is scheduled to occur on December 17–19, 22 and 23, 2025. Therefore, Petitioner will in all likelihood have already offered its *entire* invalidity case at the hearing prior to the December 25, 2025, institution deadline. Nowhere in Petitioner’s stipulation does it indicate that it will not use the asserted grounds or prior art during the ITC hearing prior to the institution deadline. Simply put, should this Petition be instituted, Petitioner will get to argue its invalidity positions during the ITC hearing and then—for a second time—in front of the Board. Petitioner’s *Sotera* stipulation is a blatant attempt to nullify a *Fintiv* factor and should be given no weight.

Thus, Factor 4 weighs in favor of denying institution.

**E. FACTOR 5: PETITIONER IS A DEFENDANT IN THE PARALLEL INVESTIGATION**

“Because the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial.” *Fintiv*, IPR2020-00019, Paper 15 at 15.

Petitioner does not dispute that it is a respondent in the ITC investigation. Factor 5 therefore weighs in favor of discretionary denial.

**F. FACTOR 6: FATAL FLAWS IN THE PETITION FAVOR DISCRETIONARY DENIAL**

Under the sixth *Fintiv* factor, the Board may consider other circumstances that impact the Board’s exercise of discretion, including the merits. *Fintiv*, IPR2020-

0019, Paper 11 at 14–15; *see also* PTAB Workload Management Memorandum at 2 (stating that “consistent with the discretionary considerations enumerated in existing Board precedent . . . and the Consolidated Trial Practice Guide (Nov. 2019),” the parties may address all relevant considerations, including “[t]he strength of the unpatentability challenge” and “[t]he extent of the petition's reliance on expert testimony.”). Here, the merits of the unpatentability challenge are weak.

Petitioner states that the Petition “is modeled on arguments from two prior petitions challenging the ’272 Patent, captioned as IPR2023-01139 (instituted and settled) and IPR2023-01140 (discretionarily denied second petition).” Pet. at 1. However, in the prior IPRs, Patent Owner did not raise, and the Board did not have the benefit of, several arguments that demonstrate the weakness of Petitioner’s challenge. For example, several claim limitations are plainly absent from the asserted references. The Petition offers uncorroborated and conclusory expert assertions to fill those gaps. This overreliance on expert opinion to bridge gaps in the cited references underscores both the Petition’s substantive weakness and its unsuitability for resolution in an *inter partes* review.

For example, none of the references shows a single header field with four parts—which is explicitly called for in the claims. Patent Owner chose not to address this limitation in the prior proceedings but will do so in its forthcoming Patent Owner Preliminary Response (“POPR”). *See, e.g., Intel Corp. v. AX Wireless*, IPR2023-

01139, Paper 12 at 33 (P.T.A.B. Feb. 14, 2024) (noting that this limitation was “not addressed by Patent Owner at this stage of the proceeding”). Also, none of the references provide support for splitting and shuffling Petitioner’s alleged header parts as proposed in the Petition such that “the first set of header bits of the second header field is the same as the second set of header bits of the second header field” and “the third set of header bits of the second header field is the same as the fourth set of header bits of the second header field,” as claimed. Patent Owner chose not to address this limitation in the prior proceedings but will do so in its forthcoming POPR. *See, e.g., id.* at 34 (same). Since Patent Owner chose not to address these limitations in the prior proceedings, the Board only had the benefit of Petitioner’s arguments, which rely on uncorroborated expert testimony. Ex. 2018 at 33–34. The lack of support in the prior art for these limitations demonstrates the weakness of Petitioner’s challenge.

These and other deficiencies in Petitioner’s challenge will be addressed in Patent Owner’s forthcoming Patent Owner Preliminary Response (“POPR”). As such, Patent Owner requests that the Director consider the arguments in the forthcoming POPR when determining whether to exercise its discretion to deny institution under 35 U.S.C. § 314(a). *See PTAB Interim Workload FAQs*, FAQ8 (“The Director will receive each . . . POPR”), and FAQ12 (“the Director will consider the merits in the merits briefing if the parties ask the Director to do so.”).

Given the weakness of Petitioner's unpatentability challenge and the extent of Petitioner's reliance on expert testimony, Factor 6 weighs in favor of discretionary denial.

**G. OTHER CONSIDERATIONS FAVORING DENIAL**

In addition to the *Fintiv* factors discussed above, several additional considerations support discretionary denial.

First, the parties have reached an agreement in principle to settle their disputes, including the ITC investigation, the District Court litigation, and this *Inter Partes* Review. On August 8, 2025, the parties filed a motion to stay the ITC investigation for fourteen days to finalize a settlement agreement, and the Court granted the stay on August 11, 2025. Exs. 2014, 2015. Since it is more likely than not that the parties will soon be seeking to terminate this *Inter Partes* Review, discretionary denial is appropriate.

Second, in the unlikely event that the parties fail to reach a final settlement and the ITC investigation resumes, instituting an IPR would not provide a true alternative to the ITC investigation because Patent Owner has asserted three other patents in the ITC investigation that are not subject to *inter partes* review. Ex. 2001. Petitioner alleges in the ITC investigation that the asserted claims of these other patents are invalid, but it did not file Petitions seeking *inter partes* review of these other patents. Petitioner's failure to file Petitions for *inter partes* review of these

other patents supports discretionary denial, because instituting an IPR would not resolve all invalidity issues in the parallel ITC investigation and therefore not serve as a “true alternative” to the ITC proceeding. *See Motorola Solutions, Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19 at 3–4 (P.T.A.B. March 28, 2025).

Third, Petitioner’s extensive reliance on expert declarations supports discretionary denial. As discussed in the PTAB Interim Workload FAQs, while 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 a proceeding, such as an ITC investigation, in which experts can give live testimony during trial.<sup>13</sup> Here, the Petition relies on 212 pages of expert testimony—not including over 1,200 pages of appendices thereto— (SONY-1003, 1007 and 1016), citing to the expert testimony 180 times over the course of the Petition. *See generally* Petition. As noted above with respect to *Fintiv* Factor 6, the Petition relies on expert testimony to provide certain claim limitations. The Petition also relies extensively on expert testimony for dispositive issues such as Petitioner’s position that the July 2005 WWiSE reference was a prior-art printed publication. Therefore, these issues would be better suited for resolution in the ITC investigation.

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<sup>13</sup> Unlike some Administrative Law Judges at the International Trade Commission, ALJ Hines’ Ground Rules require that both direct testimony and cross-examination be conducted live. Ex. 2008.

Fourth, under the interim process, the Director can consider “[s]ettled expectations of the parties, such as the length of time the claims have been in force” when deciding whether to exercise discretion to deny institution. Interim Processes for PTAB Workload Management at 2 (Mar. 26, 2025). Further, the Board in *Dabico* indicated that there is “no bright line rule on when expectations become settled . . . the longer the patent has been in force, the more settled the expectations should be.” *Dabico Airport Solutions Inc. v. AXA Power APS*, IPR2025-00408, Paper 21 at 3 (P.T.A.B. June 18, 2025).

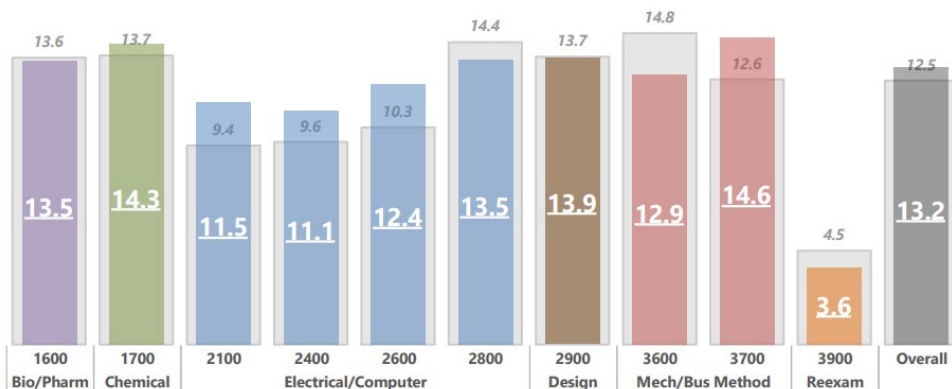
Here, the ’272 Patent issued on February 9, 2021—almost four and one-half years ago. Ex. 1001. The ’272 Patent issued from a continuation application that was published on May 28, 2020, as U.S. Pat. Pub. 2020/0169438, and was available to the public for over five years. *Id.* In addition, Patent Owner sent a notice letter to the Petitioner on January 27, 2022. Ex. 2019. Had Petitioners objected to the issuance of the ’272 Patent, they could have raised challenges years ago. 35 U.S.C. §§ 302 (permitting any person at any time to file a request for reexamination), 311 (permitting *inter partes* review 9-months or more after issuance), and 321 (permitting post-grant review challenges up to 9-months after issuance). Instead, Petitioner waited over four years to file its Petition—all but ensuring that the validity of the ’272 Patent claims would be decided in the statutorily expedited parallel ITC investigation before a FWD in this proceeding.

Finally, the Board should deny institution because its limited resources are better spent on the growing backlog of *ex parte* appeals. In 35 U.S.C. § 6(b)(1), the Board is tasked with “review[ing] adverse decisions of examiners upon applications for patent 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: “To 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 for PTAB Workload Management at 1 (Mar. 26, 2025).

In 2025, the pendency for *ex parte* reexams 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). For the technology center of the '272 Patent—2600—the pendency has increased from 10.3 months to 12.4 months, a nearly 21% increase.

## Pendency of Decided Appeals

Apr. 2025 – June 2025 (color bars & white values) vs. Apr. 2024 – June 2024 (gray bars & values)



Pendency is calculated as average months from Board receipt date to final decision for a three month period and compared to the same period the previous year.

Central Reexamination Unit (CRU/TC 3900) decisions include *ex parte* reexams, *inter partes* reexam, supplemental examination review, regular cases and most reissues from all technologies except design patent applications.



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Ex. 2020 at 7.

These additional considerations also weigh in favor of discretionary denial.

## V. CONCLUSION

All six *Fintiv* factors and the other considerations outlined in this brief favor discretionary denial. The Board should therefore exercise its discretion to deny institution under § 314(a).

Respectfully submitted,

Dated: August 25, 2025

/Jason M. Shapiro/

Jason M. Shapiro, Reg. No. 35,354

DEVLIN LAW FIRM LLC

1526 Gilpin Avenue

Wilmington, DE 19806

Phone: (302) 449-9010

Fax: (302) 353-4251

[jshapiro@devlinlawfirm.com](mailto:jshapiro@devlinlawfirm.com)

*Attorney for Patent Owner*

## CERTIFICATE OF WORD COUNT

Pursuant to 37 C.F.R. § 42.24(d), the undersigned certifies that there are 4,361 words in this paper, excluding any table of contents, table of authorities, mandatory notices under 37 C.F.R. § 42.8, certificate of word count, certificate of service, or appendix of exhibits. This certification relies on the word count of the word-processing system used to prepare this paper.

Respectfully submitted,

Dated: August 25, 2025

/Jason M. Shapiro /  
Jason M. Shapiro, Reg. No. 35,354  
DEVLIN LAW FIRM LLC  
1526 Gilpin Avenue  
Wilmington, DE 19806  
Phone: (302) 449-9010  
Fax: (302) 353-4251  
jshapiro@devlinlawfirm.com

*Attorney for Patent Owner*

**CERTIFICATE OF SERVICE**

I hereby certify that on August 25, 2025, I caused a true and correct copy of **PATENT OWNER'S DISCRETIONARY DENIAL BRIEFING** to be served via electronic mail on the following counsel for Petitioner:

<b>COUNSEL FOR SONY INTERACTIVE ENTERTAINMENT LLC</b>	
<b>Lead Counsel</b>	<b>Back-up Counsel</b>
Jeremy J. Monaldo, Reg. No. 58,680 Fish & Richardson P.C. 60 South Sixth Street, Suite 3200 Minneapolis, MN 55402 Tel: 202-783-5070 Fax: 877-769-7945 monaldo@fr.com IPR57633-0002IP1@fr.com	Jennifer J. Huang, Reg. No. 64,297 Fish & Richardson P.C. 60 South Sixth Street, Suite 3200 Minneapolis, MN 55402 Tel: 202-783-5070 Fax: 877-769-7945 jhuang@fr.com PTABInbound@fr.com
<b>Additional email for service: IPR57633-0002IP1@fr.com</b>	

*/ Jason M. Shapiro /*  
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Jason M. Shapiro