UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.
Petitioner

v.

ADVANCED CODING TECHNOLOGIES LLC,
Patent Owner

Case IPR2025-01103
Patent 8,230,101

PETITIONER'S OPPOSITION TO PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL OF INSTITUTION

TABLE OF CONTENTS

I. Introduction 1

II. *Inter Partes* Review Is an Appropriate Use of Office Resources 5

A. Material Error by the Office Warrants Referral 5

B. The Complexity and Diverse Technology of the Asserted Patents Favors Institution 15

C. Substantive *Inter Partes* Review, Available Only Upon Referral, Would Yield Significant Efficiencies 19

D. Additional Considerations Identified in the Interim Process Memorandum Favor Referral 20

1. Compelling Economic Interests Favor Referral 22

2. The Patentability of the ’101 Patent Claims Has Not Been Previously Adjudicated 25

3. No Changes to the Obviousness Standard Weighs in Favor of Institution 25

III. Discretionary Denial Is Not Warranted 26

A. ACT Lacks Strong Settled Expectations 26

1. ACT Only Recently Acquired the ’101 Patent in 2022 26

2. Discretionary Denial Would Be Inappropriate Due to Material Error By the Office 32

B. Discretionary Denial is Not Warranted Under *Fintiv* 33

1. Factor 1: No Stay Has Been Granted (Neutral) 33

2. Factor 2: The Court’s Trial Date is Speculative and the Trial will Not Address Patentability of a Majority of Claims Challenged in Apple’s Diligently Filed Petition (Neutral: Mitigated by Strong Stipulation and Other Considerations) 34

3. Factor 3: Limited Resources Would Have Been Expended by the Time of the Decision on Institution (Favors Referral) 38

4. Factor 4: No Overlap Between This IPR and the District Court Proceeding (Favors Referral) 39

5. Factor 5: The Same Parties are in the Co-Pending Litigation (Neutral) 42

6. Factor 6: ACT's Identified "Other Circumstances" Lack Merit and Do Not Weigh in Favor of Discretionary Denial (Favors Referral) 42

IV. Conclusion 43

LIST OF EXHIBITS

APPLE-1001	U.S. Patent No. 8,230,101
APPLE-1002	U.S. Patent No. 8,230,101 File History
APPLE-1003	Declaration of Dr. Erez Zadok
APPLE-1004	U.S. Patent Publication No. 2006/0161635 to Lamkin et al. (“Lamkin”)
APPLE-1005	U.S. Patent Publication No. 2003/0195924 to Franke et al. (“Franke”)
APPLE-1006	U.S. Patent No. 7,219,123 to Fiechter et al. (“Fiechter”)
APPLE-1007	U.S. Patent Publication No. 2004/0006606 to Marotta et al. (“Marotta”)
APPLE-1008	U.S. Patent Publication No. 2002/0184457 to Yuasa et al. (“Yuasa”)
APPLE-1009	U.S. Patent Publication No. 2008/0104219 to Kageyama et al. (“Kageyama”)
APPLE-1010	U.S. Patent Publication No. 2006/0184972 to Rafey et al. (“Rafey”)
APPLE-1011	U.S. Patent Publication No. 2007/0238471 to Bae et al. (“Bae”)
APPLE-1012	International Patent Publication No. WO2006/073040 to Ito et al. with certified English translation (“Ito”)
APPLE-1013	U.S. Patent Publication No. 2002/0099952 to Lambert, et. al. (“Lambert”)

APPLE-1014	U.S. Patent Publication No. 2002/0010819 to Dye (“Dye”)
APPLE-1015	U.S. Patent Publication No. 2004/0220926 to Lamkin (“Lamkin ’926”)
APPLE-1016	U.S. Patent Publication No. 2005/0281185 to Kawasaki (“Kawasaki”)
APPLE-1017	Microsoft Computer Dictionary, 5th ed., 2002, excerpts (“Microsoft Computer Dictionary”)
APPLE-1018	Abraham Silberschatz and Peter B. Galvin, Operating Systems Concepts, 4th Edition, 1994, Addison-Wesley Publishing, excerpts (“Silberschatz”)
APPLE-1019	Andrew S. Tanenbaum, *Computer Networks*, 2nd ed., 1988, excerpts (Tanenbaum)
APPLE-1020	W. Richard Stevens, *TCP/IP Illustrated Volume 1, The Protocols*, 1994, excerpts (Stevens)
APPLE-1021	William R. Cheswick & Steven M. Bellovin, *Firewalls and Internet Security, Repelling the Wily Hacker*, 1994, excerpts (Cheswick)
APPLE-1022	U.S. Patent No. 6,687,846 to Adrangi et al. (“Adrangi”)
APPLE-1023	U.S. Patent No. 6,487,663 to Jaisimha et al. (“Jaisimha”)
APPLE-1024	U.S. Patent No. 6,732,365 to Belknap et al. (“Belknap”)
APPLE-1025	U.S. Patent Publication No. 2008/0060081 to Van Den Heuvel (“VDH”)
APPLE-1026	Digital Living Network Alliance (DLNA), *Overview and Vision*, White Paper, June 2004 (“DLNA Overview”)

APPLE-1027	UPnP Forum Version 1.0 Approved Standard, *MediaServer:2 Device Template Version 1.01*, Document Version 1.00, May 31, 2006 ("UPnP MediaServer")
APPLE-1028-1053	[RESERVED]
APPLE-1054	"Apple Increases U.S. Commitment to $600 Billion, Announces American Manufacturing Program," Apple Newsroom, Apple, 6 Aug. 2025, https://www.apple.com/newsroom/2025/08/apple-increases-us-commitment-to-600-billion-usd-announces-ambitious-program/
APPLE-1055	"Welcome to the Alliance for Open Media," https://aomedia.org/about/story/ (last visited Sept. 2, 2025)
APPLE-1056	"Members," https://aomedia.org/about/members/ (last visited Sept. 2, 2025)
APPLE-1057	'101 Patent Assignment Abstract of Title for Application 12527777
APPLE-1058	PTAB Trial Statistics FY22 End of Year Outcome Roundup IPR, PGR, https://www.uspto.gov/sites/default/files/documents/ptab__aia_fy2022_roundup.pdf
APPLE-1059	Order Granting Stay in *Maxeon Solar PTE. LTD. V. Hanwha Solutions Corp. et al*., case no. 2:24-CV-00262-JRG (EDTX)
APPLE-1060	Order Granting Stay in *Cellspin Soft, Inc. v. Bytedance Ltd., et al.,* case no. 2:23-CV-00496-JRG-RSP (EDTX)
APPLE-1061	Memorandum, Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings, June 21, 2022, *available at* https://www.uspto.gov/sites/default/files/documents/interim

	_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf
APPLE-1062	The Patent Trial and Appeal Board and *Inter Partes* Review, Congressional Research Service, Updated May 28, 2024
APPLE-1063	Complaint for Patent Infringement, *Advanced Coding Tech's LLC v. Samsung Electronics Co. LTD et al.*, EDTX-2-22-cv-00499 (EDTX December 30, 2022)
APPLE-1064-1065	[RESERVED]
APPLE-1066	H.R. Rep. No. 112-98 – America Invents Act, pt. 1, available at https://www.congress.gov/congressional-report/112th-congress/house-report/98/1 (last accessed on May 27, 2025)
APPLE-1067	U.S. District Court for the Eastern District of Texas Calendar Events Set for 4/20/2026 for Judge Rodney Gilstrap
APPLE-1068	Federal Court Management Statistics-Profiles, U.S. District Courts—Combined Civil and Criminal (June 2025), *accessed from* https://www.uscourts.gov/sites/default/files/document/fcms_na_distprofile0630.2025.pdf
APPLE-1069	LegalMetric Individual Judge Report for Judge James Rodney Gilstrap Patent Cases December 2011 to January 2025
APPLE-1070	Docket Navigator Report – Advanced Coding Technologies Litigation History
APPLE-1071	America Invents Act: Hearing on H.R. 1249 Before the Subcommittee. on Intellectual Property, Competition, & the Internet of the House Committee on the Judiciary, 112th Congress (March 30, 2011)

APPLE-1072	ACT Addresses in EDTX, https://advancedcodingtechnologies.com/about (last visited September 4, 2025)
APPLE-1073-1100	[RESERVED]
APPLE-1101	Complaint for Patent Infringement (August 20, 2024), Case No. 2-24-CV-00687 (EDTX), Document 1
APPLE-1102	Appendix E-3 to Complaint for Patent Infringement – Claim Chart for U.S. Patent No. 8,230,101 Against Apple HomeKit Secure Video Products
APPLE-1103	Appendix E-2 to Complaint for Patent Infringement – Claim Chart for U.S. Patent No. 8,230,101 Against Products with HTTP Live Streaming (HLS)
APPLE-1104	Appendix E-1 to Complaint for Patent Infringement – Claim Chart for U.S. Patent No. 8,230,101 Against Apple Products with iCloud Storage
APPLE-1105	Interim Process for PTAB Workload Management, Memorandum dated March 26, 2025, downloaded from https://www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf
APPLE-1106	Patent Trial and Appeal Board (PTAB) Boardside Chat: Interim processes relating to institution in AIA proceedings, downloaded from https://www.uspto.gov/sites/default/files/documents/boardside_chat_interim_process_for_aia_institution_decisions_.pdf on April 25, 2025
APPLE-1107	Apple Inc.'s Stipulation

I. INTRODUCTION

Petitioner Apple Inc. ("Apple") opposes Patent Owner Advanced Coding Technologies LLC's (hereinafter, "ACT" or "Patent Owner") Request for Discretionary Denial (Paper 6, "Request"). ACT's Request focuses largely on just two discretionary issues: (a) settled expectations, and (b) *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB March 20, 2020) (precedential) ("*Fintiv*"). But under all relevant considerations, denial of institution is unwarranted and inappropriate. Additionally, factors that ACT did not address further demonstrate why *inter partes* review would constitute an efficient and otherwise appropriate use of Office resources. Indeed, Apple brings a timely challenge to six patents covering a diverse range of technologies ranging from media servers to video compression and vocoders that ACT only purchased in 2022 as part of a portfolio that it immediately began asserting against the industry. But the patents were issued in error and Apple's challenges will require the trier-of-fact to make detailed factual findings with implications not just for Apple, but a majority of the U.S. consumer electronics market.

Significantly, as discussed in further detail below, the Examiner committed a significant material error in allowing the '101 Patent at issue in this proceeding over the prior art applied during prosecution. In particular, the Examiner allowed the claims when the applicant amended the independent claims to include features

that the Examiner had previously indicated were taught by Fiechter (APPLE-1006) when applying Fiechter in combination with two other references to reject dependent claims 6 and 7 as obvious. APPLE-1002, 11-19, 47-55, 84-91, 184-187. The applicant offered no arguments or amendments directed to the rejection of claims 6 or 7. Rather, the applicant sought and secured allowance by indicating that it was adding the features of claim 6 to the independent claims and presenting claim 7 in independent form, without calling attention to the unaddressed rejection of claims 6-7 or the heading that continued to reflect their rejected status. Rather, the applicant sought and secured allowance by indicating that it was adding the features of claim 6 to the independent claims and presenting claim 7 in independent form, without calling attention to the unaddressed rejection of claims 6-7 or the heading that continued to reflect their rejected status. *Id.*, 47-55. With no explanation for why Fiechter was not applied in a later Office Action, the Examiner simply allowed the claims. *Id.*, 11-19. And yet, the Examiner had previously clearly established Fiechter as having taught the specific features of both claims 6 and 7—later appearing in the '101 Patent as [1b-iii] (formerly recited in claim 6) and [6b-iii] (formerly recited in claim 7). *Id.*, 184-187. Notably, neither the Examiner nor the applicant offered any reason by Fiechter could not be combined with U.S. Patent Publication No. 2006/0184972 ("Rafey") and U.S. Patent Publication No. 2007/0238471 ("Bae"), as the Examiner had initially

applied Fiechter (*Id.*, 184-187), or with Rafey, Bae, and U.S. Patent Publication No. 2008/0104219 ("Kageyama"), when the Examiner later rejected the independent claims in a final rejection (*Id.*, 66). Instead, the Examiner simply allowed the claims when the applicant added features that were clearly taught—and unrebutted by the applicant—by prior art of record.

Apple's Petition, which is the first filed on the '101 Patent, provides an appropriate vehicle for the Office to rectify the Examiner's error. Referral (and ultimately institution) would provide a much-needed check on ACT's efforts to capitalize on the error that led to issuance of the '101 Patent. Indeed, ACT has sued not only Apple but also Google by leveraging the '101 Patent,

As to settled expectations, ACT has none. ACT only just purchased the '101 Patent from JVC Kenwood in February 2022. APPLE-1057. ACT immediately began its patent assault later that same year when it sued Samsung and LG on multiple of the purchased patents. APPLE-1063. ACT delayed its assertion of the '101 Patent against Apple until August 2024. APPLE-1101. By that time, however, as noted above, Samsung had filed numerous IPRs against ACT's patents, many of which instituted. *E.g., Samsung Electronics Co., Ltd. v. Advanced Coding Technologies LLC*, IPR2023-00910 (instituted), IPR2024-00245 (instituted), IPR2024-00327 (instituted), IPR2024-00372 (instituted), IPR2024-00374 (instituted); *see also* APPLE-1070. The validity of the '101 claims was

thus, at best, unsettled by the time ACT brought its suit against Apple. On the other hand, Apple has settled expectations because the claimed subject matter is directed to a conventional distributed media server with content migration and unified content presentation across multiple storage devices—technology that was known long before the priority date of the '101 Patent. Apple should not be denied therefore the opportunity to bring a meritorious IPR challenge to patents like the '101 Patent that should never have issued in the first place, particularly in view of material error during examination that led to the allowance of the '101 Patent.

The existence of material error, the strength of the grounds, and the settled expectations of the parties thus all support referral of the '101 Patent Petition. Apple's broad stipulation—even more sweeping than a *Sotera* stipulation—further supports referral by eliminating any potential overlap between the proceedings relating to the claims that ACT may assert at trial. *See Tesla*, IPR2025-00217, Paper 10 at 2 ("Other considerations, however, counsel against discretionary denial. For example, Petitioner has filed a broad stipulation[.]"); APPLE-1107. In the event of institution, Apple's stipulation would preclude it from relying in the Texas litigation on combinations of the prior art asserted in this proceeding with unpublished system prior art (or any other type of prior art). APPLE-1107; *see Motorola Solutions, Inc. v. Stellar, LLC*, IPR2024-01205, IPR2024-01206, IPR2024-01207 & IPR2024-01208, Paper 19 (March 28, 2025) ("*Motorola*").

In short, the nature and complexity of the parties' dispute is the exact kind that the IPR process was meant to address—a frivolous litigation brought by an assertion entity that played no part in the creation of the patents-in-suit, against an American innovator and economic driving force. Considering the significant material error made during prosecution, the PTAB, through IPR, is best equipped to resolve the patentability issues raised in the Petition. For each of these reasons, and for those discussed in further detail below, Apple respectfully requests that the '101 Patent Petition be referred to a merits panel.

II. *INTER PARTES* REVIEW IS AN APPROPRIATE USE OF OFFICE RESOURCES

A. Material Error by the Office Warrants Referral

Material error during prosecution weighs heavily against discretionary denial. Indeed, when the Office has committed a material error in prosecution of a challenged patent, correction of such an error has been deemed to be of paramount importance, often overcoming a Patent Owner's strong settled expectations in a challenged patent and even overcoming facts that otherwise would have resulted in a *Fintiv* denial. *See, e.g.*, *Microsoft Corp. v. Partec Cluster Competence Cent. GmbH*, IPR2025-00318, Paper 9 at 3 ("*Microsoft v. Partec*") (June 12, 2025); *Padagis US LLC v. Neurelis, Inc.*, IPR2025-00464, Paper 12 at 3 (July 16, 2025); *Tesla, Inc. v. Charge Fusion Techs., LLC*, IPR2025-00152, Paper 11 at 2 (June 12,

2025) ("Petitioner provides persuasive evidence that the Office erred in a manner material to the patentability of the challenged claims by overlooking the teachings of [a reference during prosecution]."); *Anthony Inc. v. ControlTec, Inc.*, IPR2025-00559, Paper 12 at 2 (July 16, 2025) (referring to the panel and finding that petitioner's showing of material error favored referring to panel for 17- and 18-year old patents); *USAA Federal Savings Bank v. PACid Technologies, LLC*, IPR2025-00697, Paper 9 at 2-3 (August 14, 2025); *Taiwan Semiconductor Manufacturing Company Ltd. v. Marlin Semiconductor Ltd.*, IPR2025-00847, Paper 11 at 3-4 (September 3, 2025) ("*TSMC v. Marlin*") (referring to the panel and finding petitioner's showing of material error favored referring to panel, despite the challenged patent being 15 years old and the FWD deadline preceding the scheduled ITC hearing date by over 9 months). Indeed, when "[p]etitioner appears to show a material error by the office," the Director has found that "it is an appropriate use of Office resources to review the potential error"—***even if the trial date in the copending litigation precedes the FWD date***. *Microsoft v. Partec*, IPR2025-00318, Paper 9 at 3 (referring to the panel, despite a later trial date, because "Petitioner appears to show a material error by the Office and it is an appropriate use of Office resources to review the potential error"); *TSMC v. Marlin*, IPR2025-00847, Paper 11 at 3-4 (referring to the panel where petitioner had shown "a material error by the Office" despite earlier trial date and fifteen year

old patent).

The Examiner committed a serious material error during examination of the '101 Patent. Among other things, the Examiner erred in allowing the challenged claims despite her knowledge of—and indeed, prior reliance on—Fiechter (APPLE-1006), a reference that the Examiner cited and relied on as teaching features added to independent claims that led to allowance. That is, the Examiner first rejected dependent claims based on a combination of references that included Fiechter, despite the applicant neither arguing against nor amending those dependent claims, and the Examiner's subsequent action inexplicably omitted the Fiechter-based rejection of those same dependent claims. After the applicant amended the independent claims to include features of these dependent claims, the examiner then allowed the case with no mention of Fiechter. This allowance constituted clear and material error because, as the Examiner indicated in her first Office Action, Fiechter clearly taught the purportedly allowable features.

In more detail, Fiechter was cited in a first Office Action (mailed May 26, 2011) that rejected then-pending dependent claims 6 and 7, directed to the subject matter of elements [1b-iii] and [6b-iii] of the Challenged Claims. APPLE-1002, 184-187 (citing Fiechter as teaching the features of then-pending claims 6-7).

8. **Claims 6-7 and 14-15** are rejected under 35 U.S.C. 103(a) as obvious over Rafey and Bae as applied to claim 1 above. further in view of Fiechter et al. (U.S. 7,219,129, hereinafter "**Fiechter**").

Id., 184. In a response filed September 14, 2011, the applicant amended the independent claims and canceled claims 9-15 but neither amended claims 6 and 7 nor substantively argued against the specific rejection of claims 6 and 7 in the Remarks. *Id.*, 84-91.

6. (Previously Presented) The server device for media according to claim 1, wherein

said transfer control unit does not transfer, from the internal storage device to the network storage device, the digital contents that cannot be recovered if the network failure occurs during the transferring of the digital contents from the internal storage device to the network storage device.

7. (Previously Presented) The server device for media according to claim 1, wherein the digital contents that cannot be recovered if the network failure occurs during the transferring of the digital contents from the internal storage device to the network storage device is transferred after obtaining permission from a user.

Id., 87. In the Office's next Action (mailed November 16, 2011), a final rejection, the Examiner listed in its Office Action Summary all pending claims 1-8 as rejected, but the body of the Office Action included only a rejection of claims 1-5 and 8-13. APPLE-1002, 62-78.

Disposition of Claims

5)☒ Claim(s) _1-8_ is/are pending in the application.
5a) Of the above claim(s) _____ is/are withdrawn from consideration.
6)☐ Claim(s) _____ is/are allowed.
7)☒ Claim(s) _1-8_ is/are rejected.
8)☐ Claim(s) _____ is/are objected to.
9)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Id., 63. That is, while the Examiner substantively rejected claims 1-5 and 8-13[1] based on a combination of Rafey (US 2006/0184972) and Bae (US 2007/0238471) and newly-added Kageyama (US 2008/0104219), inexplicably, the Examiner omitted any prior-art rejection of claims 6 and 7—despite, in its previous Action, including an unrebutted rejection of those claims based on a combination of Rafey, Bae, and Fiechter and indicating that "Applicant's arguments and amendments filed on September 14, 2011 have been carefully considered and deemed unpersuasive" (APPLE-1002, 64). APPLE-1002, 62-78, 184-187. Notably, the Office Action Summary further indicated that ***all pending claims 1-8*** were rejected—including claims 6 and 7—despite not including a prior-art rejection of those claims. APPLE-1002, 63. Moreover, the Office Action did not indicate that claims 6-7 contained allowable subject matter, per MPEP 707.07(j). MPEP 707.07(j) (e.g., "Claim [1]

[1] Note that the Action listed claims 1-5 and 8-13 as rejected, though it noted earlier in the Action that only claims 1-8 are pending.

objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.").

Seizing on the Examiner's mistake, applicant contended that claims 6 and 7 "contain[ed] patentably subject matter"—despite the Examiner including no such indication. Indeed,—the applicant filed a response on February 16, 2012, that amended the independent claims to include the features of claim 6, which it then canceled, and rewrote claim 7 in independent form. APPLE-1002, 47-55.

1. (Currently Amended) A server device for media equipped with an internal storage device for storing digital contents, wherein the server device for media responds to a data transmission request from a network player by stream-delivering corresponding data in corresponding digital contents from the internal storage device to the network player during connection to a network, the server device for media comprising:

a transfer control unit adapted to transfer and store part of held digital contents in the internal storage device to a network storage device, wherein the network storage device is connected to the network and is capable of storing data, and wherein said transfer control unit does not transfer, from the internal storage device to the network storage device, the digital contents that cannot be recovered if a network failure occurs during the transferring of the digital contents from the internal storage device to the network storage device;

Id., 47.

> Claims 1-8 were pending in the present application prior to the above amendment. Applicant notes that although the Official Action summary indicates that claims 1-8 stand rejected, dependent claims 6 and 7 do not appear to have been rejected based on any prior art grounds and instead only appear to stand rejected for being dependent upon claim 1, which is rejected under §112. Accordingly, it is believed that the subject matter of dependent claims 6 and 7 is otherwise in condition for allowance if placed in independent form and the §112 rejection overcome. In light of this, claim 6 has been canceled and its subject matter has been incorporated into rejected independent claims 1 and 8 and claim 7 has been revised to be in independent form. Additionally, new claims 16-20 have been added to recite additional protection to which the Applicant is entitled. Accordingly, claims 1-5, 7, 8 and 16-20 are now pending in the present application, of which claims 1, 7, 8 and 20 are independent. For the reasons set forth in detail below, all claims are believed to be in condition for allowance. Favorable reconsideration is requested.

Id., 54 (emphasis added). Following this amendment, and a small Examiner's Amendment unrelated to the features of claims 6 and 7, the Examiner allowed the claims. APPLE-1002, 11-19.

The Examiner's omission of Fiechter from the November 16, 2011, Office Action is clearly at odds with both its prior indication that the claims stood rejected and its heading, which continued to identify the claims as rejected, despite the omission of repeated detail to that effect. In fact, nothing in the record reveals intent to withdraw the rejection of claims 6 and 7 that the applicant did not otherwise address, nor the examiner's omission of the rejection; on the contrary, the mistaken nature of this omission is made apparent by the status of dependent claims 6 and 7

being listed as rejected in the Office Action Summary. APPLE-1002, 63. More, nothing in the record explains why, when the Examiner added new reference Kageyama to the combination that rendered the independent claims obvious, the Examiner did not include a rejection of claims 6 and 7 based on the natural combination of Rafey, Bae, and Kageyama—in further view of Fiechter, previously relied upon for claims 6 and 7 and discussed in the Examiner's earlier non-final Office Action as teaching the specific features of claims 6 and 7. Thus, the allowance of the claims after the applicant amended the independent claims to include the subject matter of claims 6 or 7 is a material error by the Patent Office.

The Examiner erred in allowing the claims based on the inclusion of the text of then-pending claim 6 or claim 7. As the Examiner previously correctly observed, Fiechter taught the features recited in claim 6.

> However, Fiechter disclosed a mobile browser device with audio feedback and adaptive personalization capability that is capable of transmitting a request for information via a wireless communication interface from one or more servers in an information network (Fiechter, Abstract).
>
> In particular, Fiechter disclosed in col. 17, lines 62-67 that when mobile audio device is likely to experience a data loss rate that is higher than a pre-selected value, ask the user if they would prefer to wait for the information until transmission of the data will be more reliable. Said disclosure implies that user may choose not to transfer data between the server and the mobile device when data is likely to be lost, which subject matter is similar to that disclosed in the instant claim.
>
> One of ordinary skill in the art would have been motivated to combine Rafey and Fiechter because both disclosed transmitting media content between two devices over a network (Rafey, Abstract; Fiechter, Abstract) and that data loss due to network problem is a common problem in any data network.
>
> Therefore, it would have been obvious for one of ordinary skill in the art to modify Rafey with Fiechter's teaching as such that Rafey's content selector would first check the network condition before transferring any data to a home content server so that the transfer may be delayed/paused when network condition is poor. Said combination would have allowed Rafey's system to avoid losing data during a transfer, especially in the case that the data that cannot be recovered, such as the copyrighted data with a "single copy" distribution right.

Id., 185-186 (emphasis added). As the Examiner previously correctly observed, Fiechter taught the features recited in claim 7.

> In particular, Fiechter disclosed in col. 17, lines 62-67 that when mobile audio device is likely to experience a data loss rate that is higher than a pre-selected value, ask the user if they would prefer to wait for the information until transmission of the data will be more reliable. Said disclosure implies that data, including the copyrighted single copy data, will be transferred if the user gave the permission to transfer.
>
> One of ordinary skill in the art would have been motivated to combine Rafey and Fiechter because both disclosed transmitting media content between two devices over a network (Rafey, Abstract; Fiechter, Abstract) and that data loss due to network problem is a common problem in any data network.
>
> Therefore, one of ordinary skill in the art would have been motivated to modify Rafey with Fiechter's teaching as such that Rafey's content selector would first check the network condition before transferring any data to a home content server and then ask the user for permission to transfer so that the user is made aware that data may be lost during the transfer. Said combination would have allowed Rafey's system to give a user a choice to proceed with or pause a data transfer when the network condition is poor so that the user is made aware of the possible loss of data.

Id., 186-187 (emphasis added). The Petition recognized this observation by the Examiner—and the Examiner's later omission of a Fiechter-based rejection of claims 6 and 7—and leveraged prior-art grounds that relied on Fiechter's teachings as they relate to claims 6 and 7.

Because the Examiner overlooked highly relevant disclosures in Fiechter that the Examiner had earlier identified and relied upon, the Examiner erred in

issuing the ’101 Patent. Board resources are thus well spent to correct the Examiner’s error and ensure that obvious claims are properly canceled. Indeed, under similar circumstances, an IPR petition addressing a 15 year-old patent asserted in co-pending litigation (ITC hearing scheduled for 9 months before the FWD deadline) was deemed appropriate because, “during prosecution of the challenged patent, the patent examiner applied [a prior-art patent] to reject the claims, but subsequently allowed the claims after the applicant amended them,” and “Petitioner persuasively demonstrate[d] that the patent examiner overlooked certain teachings in [the prior-art patent] that appear to disclose the claimed features.” *TSMC v. Marlin*, IPR2025-00847, Paper 11 at 3-4. Given the similar circumstances during prosecution of the ’101 Patent, referral is likewise appropriate. *See id.*

B. The Complexity and Diverse Technology of the Asserted Patents Favors Institution

ACT’s assertion of a “large number and vast scope of [] patents” directed toward “a diverse range of subject matter” in the parallel district court proceeding is the precise situation for which “the Board is better suited to review” issues of validity, just as was the case in *Tesla*. IPR2025-00217, Paper 9, 2-3; *see also Apple Inc. v. Apex Beam Technologies LLC*, IPR2025-00896, Paper 10, 2-3 (September 3, 2025) (“*Apex Beam*”) (“The large number and wide scope of the

patents asserted in the district court litigation weighs against discretionary denial, as the Board is better suited to review a large number of patents involving diverse subject matter."); *Shenzhen Touzhu Tech. Co. Ltd. v. Stratasys*, IPR2025-00438, Paper 10, 3 (July 17, 2025) ("*Shenzhen*") ("six families that involve a diverse range of subject matter … weighs against discretionary denial"). Much like the multi-patent litigation at issue in *Tesla*, the '101 Patent at issue here is part of "complex and diverse" multi-patent litigation spanning multiple patent families, over forty-five claims, and numerous distinct technologies involving several independent standards bodies.

The '101 Patent challenged in this proceeding is but one of ***six*** patents that ACT has asserted against Apple. Against this backdrop, Apple has asked the PTAB to apply much-needed scrutiny to ACT's patents by filing IPR petitions on each of the asserted patents. Apple's pending petitions seek review of the ***six*** patents, which span a broad range of technologies and claim scope in the general areas of encoding and decoding information for storage and wireless communications, including claims directed to the following:

- adaptive bandwidth utilization enabling simultaneous real-time monitoring and retroactive high-quality video reconstruction (U.S. Patent No. 9,986,303, Abstract);
- super-resolution video decoding system enabling multiple quality

outputs from hierarchically encoded streams (U.S. Patent No. 10,218,995);

- dual-pathway super-resolution video encoding system creating enhanced quality content from standard resolution inputs through parallel processing streams. (U.S. Patent No. 10,218,995 – second claim set);
- zone-border motion compensation using Poisson's Equation to eliminate block discontinuities in video prediction without smoothing filters (U.S. Patent No. 8,090,025);
- super-resolution video encoding system that creates high-resolution video content from standard-resolution input using dual enhancement pathways and predictive reference selection (U.S. Patent No. 9,042,448);
- seamless distributed media server with transparent content migration and unified content presentation across multiple storage devices (U.S. Patent No. 8,230,101); and
- real-time communication quality assessment through embedded redundant bit analysis with adaptive data masking and error mitigation. (U.S. Patent No. 7,804,891).

As illustrated by the patents above, ACT's asserted patents involved in the

pending IPRs cover a broad array of subject matter including data rate determination, adaptable compression, and data reconstruction ('303 Patent); super-resolution data encoding and decoding using multiple encoders/decoders and resolution considerations ('995 and '448 Patents); channel quality estimation and data compensation ('891 Patent); motion estimation using Poisson's equation to approximate block boundary conditions ('025 Patent); and data transfer and storage that includes transfer decision making and searchability ('101 Patent). To account for the variety of technologies and claims at issue, Apple filed ***seven*** IPR petitions, totaling ***22*** grounds and ***22*** different prior-art references. The diverse subject matter involved strongly favors referral. *Tesla*, IPR2025-00217, Paper 9, 2-3; *Apex Beam*, IPR2025-00896, Paper 10, 2-3. As was the case in *Tesla*, *Shenzhen,* and *Apex Beam*, "the Board is better suited to review a large number of patents involving diverse subject matter." *Id.* While it would be difficult for a single trier-of-fact to adequately assess validity of all of the diverse claims at issue in these proceedings, the PTAB is well situated to do so competently and efficiently. Interests of efficiency, justice, and the promotion of a strong patent system favor continued PTAB review of ACT's patents, including referring the present Petition for adjudication on the merits.

C. Substantive *Inter Partes* Review, Available Only Upon Referral, Would Yield Significant Efficiencies

The PTAB is uniquely situated to provide efficient review of the ’101 Patent given the complex validity issues not only at issue in this proceeding, but six others that implicate the other asserted patents. *Inter partes* review in this proceeding (and the six other proceedings) thereby serves the public interest by centrally settling patent validity, rather than forcing distinct validity challenges before the district court. This promotes the AIA’s objectives of improving patent quality and reducing unwarranted litigation burdens on the public and industry participants. *See* 35 U.S.C. § 311; APPLE-1066, pt. 1, at 48 (noting role of IPR in providing “a quick and cost effective alternative[] to litigation”).

Such centralized review is crucial because ACT’s track record demonstrates a propensity to assert the patents. ACT has already established a pattern of aggressive enforcement of the ’101 Patent and many of its other patents. APPLE-1070. The high likelihood of future assertions against entities supporting related technologies reinforces the importance of validity investigation of the ’101 Patent and other patents. For example, in enforcing the asserted patents, ACT simply accuses the practice of the AV1 standard for some asserted patents, and it has already filed four distinct district court litigations against Apple, Samsung, LG, and Google. Further litigation is, therefore, likely, and addressing validity at the

PTAB would serve to resolve a key question that will otherwise need to be addressed multiple times over, in less efficient forums that do not bring the benefit of perspective from highly technical PTAB judges.

Finally, *inter partes* review of this proceeding is also consistent with recent discretionary guidance regarding counterpart litigation that "would proceed to several district court trials in different jurisdictions." *Berkshire Hathaway Energy Company, et al. v. BirchTech Corp.*, IPR2025-00274, Paper 23, 2-3 (July 2, 2025) ("*Berkshire*"). There, such litigation resulted in *inter partes* review being deemed to represent an efficient use of Office resources. *Id.* ACT's serial litigation activity suggests that Apple will not be the last defendant accused of infringement. ACT's assertion of six patents, therefore, both in the litigation and any future litigations is likely to span multiple district court trials across multiple jurisdictions. Under these circumstances, "resolving the dispute between the parties at the Office would be more efficient." *Berkshire*, IPR2025-00274, Paper 23, 2.

D. Additional Considerations Identified in the Interim Process Memorandum Favor Referral

A memorandum dated March 26, 2025, and titled "Interim Process for PTAB Workload Management" ("Interim Process Memorandum") identified additional considerations that may be evaluated when addressing discretionary issues. APPLE-

1105. These considerations include:

1. The strength of the unpatentability challenge;
2. Settled expectations of the parties, such as the length of time the claims have been in force;
3. Compelling economic, public health, or national security interests;
4. Whether the PTAB or another forum has already adjudicated the validity or patentability of the challenged patent claims;
5. Whether there have been changes in the law or new judicial precedent issued since issuance of the claims that may affect patentability;
6. The extent of the Petition's reliance on expert testimony; and
7. Any other considerations bearing on the Director's discretion.

ACT's briefing only addresses settled expectations (which Apple addresses in §III.A), and does so in a cursory manner. *See* Paper 6, 8. As explained above, however, ACT does not enjoy strong settled expectations. Other compelling considerations, including Examiner error in issuing the '101 Patent offset ACT's claims to settled expectations. Further, as explained below, proper consideration of these factors confirms that discretionary denial is not warranted, and that conclusion is only reinforced by the other considerations recited in the Interim Process Memorandum that ACT omitted from its analysis.

1. Compelling Economic Interests Favor Referral

Institution and merits review of the ’101 Patent (one of 6 patents asserted in co-pending litigation) would provide timely clarity on the scope and validity of rights purported to cover standard implementations of video coding technologies—clarity that would enable efficient planning and capital allocation by U.S. manufacturers and investors. Apple is leading in its investment in U.S. manufacturing, having recently announced a new $100 billion U.S. investment through its American Manufacturing Program to build an end-to-end American silicon supply chain and to co-develop and manufacture cellular semiconductor components with U.S. partners across the continent. *See* APPLE-1054. This brings Apple’s four-year commitment in U.S. investment to $600 billion.

If the asserted patents are found unpatentable, early resolution brings efficiency to the parties’ dispute. And, even if found not unpatentable, by engaging in this validity investigation, the Board will provide certainty and guidance that would inform U.S. manufacturers and investors, particularly those whose products and services rely on technology similar to those provided by Apple and ACT-defendant Google. Either way, substantive engagement by the Board helps to inform scaling of U.S. production and support infrastructure. In short, referral for merits review advances efficiency and the public interest by reducing friction and enabling informed investment in American manufacturing,

development, services, and support tied to content-sharing or content-storing services or platforms. This includes Apple's iPhone, iPad, MacBook, Apple TV, and other computing systems, as well as the Google Home App and devices that run the Google Home App (e.g., Google Pixel phones, Google Pixel Tablet, and Google Pixel Watch), YouTube, and Google Cloud Content Delivery Network. Reconciliation of the validity of the asserted patents will at best protect the economic interests associated with Apple's (and Google's) ability to continue to provide its products and services to consumers, and at worst clarify the legal landscape surrounding patents that allegedly encumber Apple's (and Google's) technologies for other stakeholders.

Nearly 15 years ago in 2011, Congress passed the Leahy-Smith America Invents Act ("AIA") to address flaws in the patent system. Of particular concern was the proliferation of low-quality patents and the corresponding rise in abusive enforcement, particularly by non-practicing entities (NPEs). *See, e.g.*, *Thryv, Inc. v. Click-To-Call Techs.*, 590 U.S. 45, 54 (2020) ("Congress, concerned about overpatenting and its diminishment of competition, sought to weed out bad patent claims efficiently."); APPLE-1066, 39-40 ("[Q]uestionable patents [were] too easily obtained and too difficult to challenge."). With these concerns in mind, Congress identified as one of the primary goals of the AIA "establish[ing] a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and

counterproductive litigation costs." *Id.*, 40. Through creation of the PTAB and IPR, Congress aimed to curtail NPE litigation tactics like forum shopping and reduce the economic impact of NPE driven litigation on innovators and the judicial system.

The AIA's creation of the PTAB and IPR served to improve patent quality, reduce the costs and inefficiencies of district court litigation, and curb forum shopping—benefits Congress recognized would disincentivize litigation of low-quality patents and thus reduce its economic impact on innovators and the judicial system. *See, e.g.*, APPLE-1066, 39-40; APPLE-1071, 56 (noting the importance of the AIA to "address this problem of nonpracticing entities that we believe exploit flaws in the current patent system").

Here, there can be no doubt that ACT is an NPE. ACT purchased the '101 Patent (and the other challenged patents) from JVC Kenwood in February 2022 and almost immediately began its assault on industry leaders. ACT's business is patent assertions and litigation, having two principal locations in the Eastern District of Texas. APPLE-1072. ACT is exactly the sort of NPE that the PTAB and the IPR process was designed to counter.

Apple, by contrast, is a technology leader that has invested billions of dollars in new and ongoing economic activity in the United States—i.e., activity that ACT seeks to disrupt through its aggressive and meritless litigation campaign. The public deserves more. The Supreme Court has emphasized that the PTAB's very "purpose

and design" is fulfilled by addressing the merits of cases, not by shunning much-needed review before it starts. *Thryv, Inc. v. Click-To-Call Techs.*, 590 U.S. at 54 ("By providing for *inter partes* review, Congress, concerned about overpatenting and its diminishment of competition, sought to weed out bad patent claims efficiently").

Such considerations weigh heavily in favor of referral and Apple respectfully requests an opportunity for the strong grounds presented in its Petition on the '101 Patent to be considered at the PTAB. In this regard, Apple seeks efficient resolution at the PTAB of the patentability of the challenged claims of yet another patent asserted against it by a highly-litigious and non-practicing entity that is actively pursuing multi-patent litigation campaigns against Apple, and other entities.

2. The Patentability of the '101 Patent Claims Has Not Been Previously Adjudicated

The PTAB has not previously considered any *inter partes* review petition on the '101, and no other forum has finally adjudicated the validity of the challenged claims. And, as explained, the District Court will not consider overlapping prior art if institution is granted, leaving the PTAB as the only forum to resolve these issues.

3. No Changes to the Obviousness Standard Weighs in Favor of Institution

As explained in the Petition and as further confirmed by this brief, the strong merits of the Petition demonstrate that the '101 Patent's claims are unpatentable in

view of the prior art and grounds—which grounds were not previously before the Patent Office during the examination. There has been no change in law or judicial precedent, particularly as it relates to obviousness under Section 103, that would alter a determination of unpatentability of these claims. ACT identifies nothing to the contrary.

III. DISCRETIONARY DENIAL IS NOT WARRANTED

A. ACT Lacks Strong Settled Expectations

1. ACT Only Recently Acquired the '101 Patent in 2022

ACT cannot credibly claim that it enjoyed a strong expectation that the '101 Patent claims were patentable by the time it sued Apple in August 2024. The '101 Patent issued July 24, 2012, but ACT only purchased it from JVC Kenwood a decade later in 2022. APPLE-1057. Within that same year, ACT asserted a number of its acquired patents against Samsung, who timely filed an IPR challenges against those patents. APPLE-1063; *Samsung Electronics Co., Ltd. v. Advanced Coding Technologies LLC*, IPR2024-00372, Paper 2 (January 8, 2024); *Samsung Electronics Co., Ltd. v. Advanced Coding Technologies LLC*, IPR2024-00374, Paper 2 (January 8, 2024); *Samsung Electronics Co., Ltd. v. Advanced Coding Technologies LLC*, IPR2024-00327, Paper 2 (January 5, 2024); *Samsung Electronics Co., Ltd. v. Advanced Coding Technologies LLC*, IPR2024-00245, Paper 2 (December 8, 2023); *Samsung Electronics Co., Ltd. v. Advanced Coding*

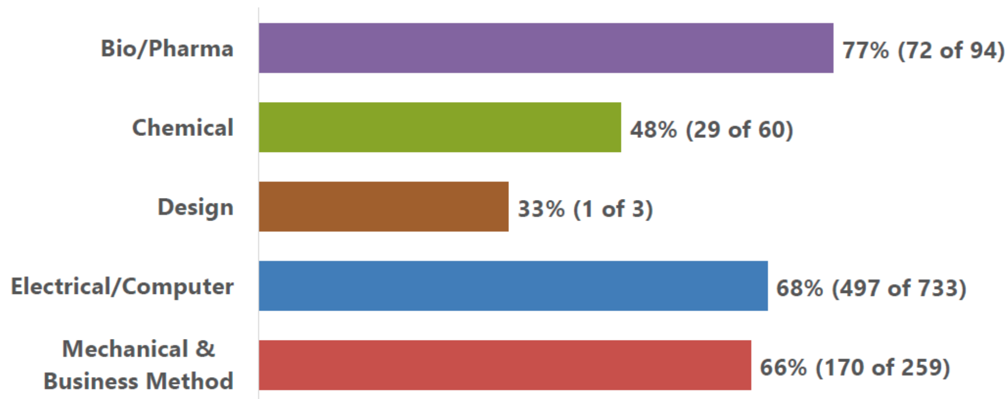
Technologies LLC, IPR2024-00062, Paper 2 (November 22, 2023); *Samsung Electronics Co., Ltd. v. Advanced Coding Technologies LLC*, IPR2023-00910, Paper 3 (May 12, 2023). Thus, ACT was put on notice of the vulnerabilities of the patents it acquired since at least May 12, 2023—within 2 years of ACT procuring the patents. Indeed, the PTAB instituted the IPRs based on the merits of Samsung's petitions, even in view of ACT's arguments in its pre-institution briefing. IPR2024-00372, Paper 9 (July 18, 2024); IPR2024-00374, Paper 11 (July 22, 2024); IPR2024-00327, Paper 11 (July 18, 2024); IPR2024-00245, Paper 7 (June 11, 2024); IPR2024-00062, Paper 11 (May 23, 2024); IPR2023-00910, Paper 8 (December 12, 2023). The parties terminated the IPR proceedings before the Board issued any final written decisions. Therefore, the vulnerabilities to the patentability of the claims of those patents persist; and while there is an open question as to the patentability of those claims, ACT cannot enjoy settled expectations with respect to any of its acquired patents.

Moreover, while ACT earlier sued Samsung and LG based on those patents, which it had purchased from JVC Kenwood, it did *not* assert the '101 Patent against Samsung or LG. *See* APPLE-1063. As such, to the extent that the prior suit against Samsung or LG could have created any expectations that ACT might also similarly bring suit against Apple—which Apple does not concede—Apple could *not* reasonably have expected that ACT would assert a patent that it had

previously purchased but that it had opted not to previously assert against Samsung and LG against similar types of products (e.g., mobile computing devices and the like).

ACT's expectations as to the question of patentability should also turn on other factors that existed at the time it was considering purchasing the patents, including the likelihood of an asserted patent being challenged at the PTAB under IPR. As mentioned above, ACT bought the '101 Patent from JVC Kenwood and executed an assignment on February 28, 2022. According to the USPTO, in Fiscal Year 2022,[2] 68% of IPR petitions for patents in the Electrical/Computer arts were instituted:

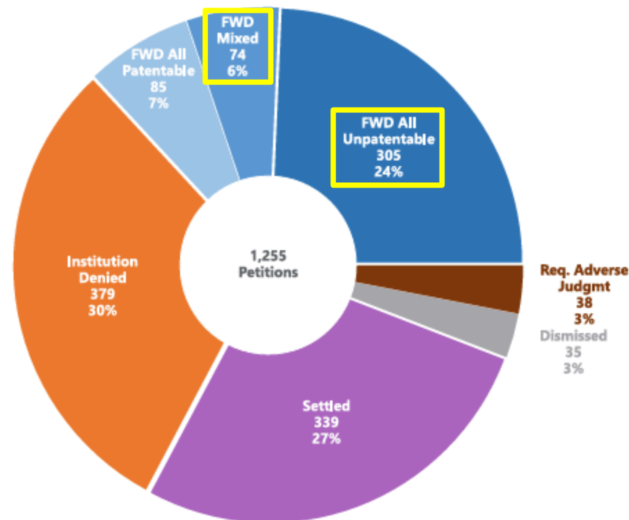
[2] FY22 is October 1, 2021 to Sept. 30, 2022.



APPLE-1058 at 9

And the vast majority of petitions that made it to Final Written Decision resulted in some or all claims found unpatentable:

Outcomes by petition
(FY22: Oct. 1, 2021 to Sept. 30, 2022)



FWD patentability or unpatentability reported with respect to the claims at issue in the FWD. Joined cases are excluded.

11

APPLE-1058 at 11 (annotated)

Therefore, at the time that ACT secured the rights to the ’101 Patent, a significant number of IPR petitions were being instituted and a significant percentage of claims were being found unpatentable. The statistics show that IPR petitioners were more likely than not to be instituted, and if carried forward, they were successful in rendering most, if not all, challenged claims unpatentable. Thus, it is reasonable to assume that ACT was aware that its assertion of a patent in District Court would have been met with an IPR challenge.[3] In that context, it is reasonable to conclude that ACT’s expectations about the patentability of the ’101

[3] Indeed, ACT has been a party in no fewer than 19 IPRs since April 2022.

Patent claims were unsettled, and there is no evidence to suggest that those expectations have changed.

Even if ACT were credited with some settled expectations, those expectations are not strong and are far outweighed by Apple's own settled expectations as to non-assertion of the '101 Patent.

Moreover, ACT only recently became litigious, after purchasing patents in February 2022. It brought its first patent lawsuit against ByteDance in April 2022, and not long after, asserted a number of patents against Samsung. *See* APPLE-1070. It has since filed several district court complaints against defendants across the industry including not just Apple but also Samsung, LG, and Google. *See* APPLE-1070. ACT asserted the '101 Patent against Apple in August 2024.

ACT provided no notice to Apple about the '101 Patent before it first launched its litigation action in the Eastern District of Texas in August 2024. There was no reason to expect that ACT would assert the '101 Patent at that time given that over a year and a half had already passed since ACT had initiated its suit against Samsung in December 2022 in a lawsuit that did not even include the '101 Patent.

2. Discretionary Denial Would Be Inappropriate Due to Material Error By the Office

Even if Patent Owner had a legitimate claim to settled expectations (it does not), those expectations are further offset and overcome by material error in the examination of the '101 Patent. In *Anthony*, "challenged patents … in force for approximately eighteen and seventeen years" did not support discretionary denial because "Petitioner appears to show a material error by the Office." IPR2025-00559, Paper 12, 2. Here, the '101 Patent is younger than the patents at-issue in Anthony, and thus, any material error in the examination of the '101 Patent is a much more "appropriate use of Office resources to review the potential error." *Id*.

As noted in Section II.A, like *Anthony*, the material error in examination of the '101 Patent results from premature allowance reflecting the Examiner's lack of appreciation for relevant prior art. *Anthony*, IPR2025-00559, Paper 12, 2 (noting that "the patent examiner erred by overlooking the teachings of Carter" in "issu[ing] a notice of allowance of both patent applications as the first office action"). More specifically, for example, the Examiner here allowed the claims despite an earlier recognition that Fiechter taught the very features the applicant added to the claims that led to allowance—and the Examiner made no indication that he was wrong in his earlier assessment, nor did the applicant argue any shortcoming in Fiechter. *Supra*, §II.A. Thus, Examiner overlooked that Fiechter

in fact expressly discloses these limitations. *Id.* This reflects material error during examination. Such conduct frustrates the Office's examination process and disturbs the settled expectations of implementers and the public. *Ecto World, LLC, et al. v. RAI Strategic Holdings, Inc.*, IPR2024-01280, Paper 13, 5 (May 19, 2025) (precedential).

B. Discretionary Denial is Not Warranted Under *Fintiv*

ACT only discusses some of the *Fintiv* factors in its briefing, but as discussed below, a holistic weighing of all factors favors institution. *See Fintiv*, IPR2020-00019, Paper 11, 5-6.

1. Factor 1: No Stay Has Been Granted (Neutral)

Fintiv Factor 1 looks to "whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted." This factor is neutral given that no litigation stay has been granted and no evidence clearly establishes how the district court would resolve such a request even if a stay were requested upon institution.

While Apple has requested a stay pending *inter partes* review, Judge Gilstrap has not yet ruled on the motion. ACT does not dispute that nothing precludes the possibility of a stay being granted in the Eastern District of Texas ***after institution***. Indeed, EDTX does not automatically deny stays ***after institution***. Indeed, Judge Gilstrap and Magistrate Judge Payne have granted post-

institution motions for stay where the defendant/petitioner has made a strong stipulation to be bound by IPR estoppel—exactly as Apple has done here with a stipulation (APPLE-1107) that is far broader than even the IPR estoppel provisions. *See, e.g.*, APPLE-1059, APPLE-1060. Magistrate Judge Payne has also explained that stays in patent cases do not unduly prejudice plaintiffs that do not produce a product (e.g., litigation entities like ACT) because a "mere delay in collecting … damages does not constitute undue prejudice." APPLE-1060 (citing *Uniloc USA, Inc. v. Acronis, Inc.*, No. 615-cv-1001-RWS-KNM, 2017 WL 2899690, at *2 (E.D. Tex. Feb. 9, 2017)).

2. Factor 2: The Court's Trial Date is Speculative and the Trial will Not Address Patentability of a Majority of Claims Challenged in Apple's Diligently Filed Petition (Neutral: Mitigated by Strong Stipulation and Other Considerations)

Fintiv Factor 2 looks to "proximity of the court's trial date to the Board's projected statutory deadline for a final written decision" as part of a holistic evaluation of fairness and efficiency, which includes considering which forum will assess the patentability of the challenged claims. *See Fintiv*, IPR2020-00019, Paper 11, 5-6; *see also id.*, Paper 15, 7-17 (PTAB May 13, 2020) (informative) (explaining that, in evaluating the *Fintiv* factors, the Board "takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review"); *Illumina, Inc. v. Natera, Inc.*, IPR2019-01201, Paper 19, 6

(PTAB December 18, 2019) ("We have considered the positions of the parties and find that, on this record, considerations of efficiency, fairness, and the merits of the grounds in the Petition do not weigh in favor of denying the Petition."). This factor weighs against discretionary denial or at worst, is neutral.

As a starting point, trial dates routinely change. Further, such trial date changes are common in the Eastern District of Texas. The Office has likewise recognized that "scheduled trial dates are unreliable and often change." APPLE-1061, 8. Thus, while the District Court trial is currently scheduled (April 20, 2026) to occur before the Board's expected deadline (December 2026) to issue a Final Written Decision, that time difference is likely to be reduced significantly if history is a guide. Moreover, the median time-to-trial for civil cases in EDTX has increased to 25.1 months according to current statistics, which would project trial to begin in late August 2026—months after the currently scheduled date. APPLE-1068, 35.

To be sure, the prospect of the currently scheduled trial date being delayed is significant given a number of factors. First, Apple's motion to transfer to the Northern District of California is currently pending before the court, casting doubt on the actual trial date. Second, assuming that the district court litigation remains in EDTX, the actual trial date is uncertain given that Judge Gilstrap currently has ***nine*** trials simultaneously scheduled to start jury selection on April 20, 2026, only

one of which is the ACT litigation. APPLE-1067 ***All nine cases*** involve complex patent disputes. *Id.* By advocating for discretionary denial based on the scheduled jury selection date, ACT assumes without basis that Judge Gilstrap will prioritize ACT's litigation over the ***eight other patent cases*** scheduled to begin jury selection on the same day. Even if no one of the nine cases were favored over the others, the likelihood that ACT's litigation would be the one selected to start jury selection on April 20, 2026, is small—about 11% (i.e., 1/9).

ACT also fails to acknowledge the significant amount of time required to reach a final judgment ripe for any appeal—after the resolution of post-trial motions. A recent analysis of cases before Judge Gilstrap shows that post-trial motions are not resolved on average for ***6.9 months*** after a jury trial. APPLE-1069, 2. Even if jury selection for trial in the ACT litigation did begin on April 20, 2026, the "final resolution" (if it occurs at all) would likely not occur until sometime after October 2026.

Apple's stipulation also undercuts ACT's arguments pertaining to the trial date. APPLE-1107. Apple has stipulated to forgo pursuing "the specific grounds asserted in *inter partes* review in this proceeding, or any other ground that could have been reasonably raised in this proceeding (i.e., any ground that could have been raised under §§ 102 or 103 on the basis of prior-art patents or printed publications). *See Sotera Wireless, Inc. v. Masimo Corporation*, IPR2020-01019,

Paper 12 (PTAB December 1, 2020). Apple also stipulated that, "if the PTAB institutes review in this proceeding, Apple will not pursue in the Texas litigation combinations of the prior art asserted in this proceeding with any other type of prior art, including unpublished system prior art. *See Motorola*, IPR2024-01205, IPR2024-01206, IPR2024-01207 & IPR202401208, Paper 19; APPLE-1107. Apple's stipulation mitigates the risk of significant duplication of effort, additional expense for the parties, and a risk of inconsistent decisions by removing from the litigation invalidity contentions that include not only the prior-art references from these grounds, but also system prior art that could be combined with the prior-art references and combinations presented in the Petition. Apple's willingness to forgo such a large swathe of prior art from the litigation is indicative of two things: 1) Apple's commitment to the IPR process as the appropriate forum for adjudicating the question of patentability, and 2) Apple's confidence in the strength of the merits of the grounds in the Petition.

Contrary to ACT's assertion, Apple diligently filed the '101 Patent petition more than two months prior to the statutory deadline. And despite the time difference between the trial date and projected FWD, Apple filed its Petitions with the express purpose of pursuing the question of unpatentability to its final determination. The fact that Apple is committed to the IPR process and the removal of these bad patents, regardless of the outcome of the trial, demonstrates

its dedication to strengthening the patent landscape and reducing the economic impact of bad patents for all stakeholders.

What's more, when "[p]etitioner appears to show a material error by the office," the Director has found that "it is an appropriate use of Office resources to review the potential error"—***even if the trial date in the copending litigation precedes the FWD date***. *Microsoft v. Partec*, IPR2025-00318, Paper 9, 3 (referring to the panel, despite a later trial date, because "Petitioner appears to show a material error by the Office and it is an appropriate use of Office resources to review the potential error").

In summary, *Fintiv* Factor 2 is not dispositive because the District Court's trial date is speculative, material errors warrant referral, and Apple diligently filed its petition months ahead of the one-year statutory deadline.

3. Factor 3: Limited Resources Would Have Been Expended by the Time of the Decision on Institution (Favors Referral)

Fintiv factor 3—which considers 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"—also favors institution.

As of the Petition's filing, the parties had only exchanged infringement and invalidity contentions. *See* EX2002, 5-6. As of the filing of this paper, the parties have exchanged terms for claim construction and are in the process of conducting

expert depositions limited to claim construction, but the case has not otherwise advanced much since filing of the Petition. Given that the Markman hearing is scheduled for November 13, an order on claim construction is not expected until after a decision on institution in this proceeding. *See* EX2001, 4.

Moreover, ACT's assertions of the "significant resources" that have been invested in the District Court are misleading. *See* Paper 6, 3. Indeed, because of the sweeping stipulation, institution would remove the majority of prior-art invalidity issues from the litigation and would be placed, instead, in the hands of the PTAB. Thus, not only would the litigation be streamlined, but the question of patentability of the '101 Patent would be addressed by a body better equipped to tackle the diverse technologies involved. This further advances the point that institution would promote a streamlined litigation while assuring the question of patentability is confidently addressed.

4. Factor 4: No Overlap Between This IPR and the District Court Proceeding (Favors Referral)

Fintiv factor 4—which considers overlap between issues raised in the Petition and in the parallel proceeding—strongly favors institution. First, Judge Gilstrap's model order suggests that the number of claims at issue in the litigation will be reduced over the coming months. Thus, it is purely speculative to assume that all of the claims at issue in the IPR proceedings will be addressed by the

litigation.

Additionally, and perhaps more importantly, to eliminate any possible perception of overlap between the PTAB and District Court, Apple filed a stipulation (APPLE-1107) providing that, if the PTAB institutes review, Apple will not pursue in District Court litigation:

- the specific grounds asserted in *inter partes* review in this proceeding, or any other ground that could have been reasonably raised in this proceeding (i.e., any ground that could have been raised under §§ 102 or 103 on the basis of prior-art patents or printed publications). *See Sotera Wireless, Inc. v. Masimo Corporation*, IPR2020-01019, Paper 12 (PTAB December 1, 2020)); and
- combinations of the prior art asserted in this proceeding with any other type of prior art, including unpublished system prior art. *See Motorola*, IPR2024-01205, IPR2024-01206, IPR2024-01207 & IPR2024-01208, Paper 19.

Apple's stipulation here is far ***more sweeping*** than a traditional *Sotera* stipulation and goes further to allay the concerns raised in the Director's *Motorola* decision (*see id.*) by additionally precluding Apple's reliance (upon institution) on combinations of art asserted in the proceeding with unpublished system art or any other type of prior art for that matter. Indeed, Apple explained that in so

stipulating, "Apple seeks to avoid multiple proceedings in different forums addressing the validity of the instituted claims based on the same grounds or prior art." APPLE-1107.

To be clear, Apple's stipulation here is more robust than the *Sotera* stipulation addressed in *Motorola*. Apple's stipulation guarantees that, if instituted, none of the prior art asserted in the Petition will be used in the District Court proceeding—even in combination with unpublished system art. For example, Apple's Petition relies on either Lamkin (APPLE-1004) or Franke (APPLE-1005) as the primary prior-art reference to address a majority of limitations in the independent claims of the '101 Patent. If the Petition were instituted, Apple has agreed through its stipulation to forego reliance on Lamkin or Franke in the litigation altogether, whether on their own, in combination with other patents or printed publications that could have been reasonably raised in IPR, or even in combination with unpublished system art that could not have been raised in IPR in the first instance. Apple's stipulation thus addresses the specific concern expressed in *Motorola* that "Petitioner's invalidity arguments in the district court … include combinations of the prior art asserted in these proceedings with unpublished system art." *Motorola*, 4.

In sum, there will be virtually no overlap between this proceeding and the parallel District Court litigation if IPR is instituted. Apple's petitions are based on

prior-art combinations that would not be raised in District Court (e.g., combinations based on Lamkin or Franke), and Apple's stipulation is even more expansive than *Sotera* thus ensuring that the Office's goals of "efficiency and integrity" will be achieved by "not duplicating efforts" and "resolving materially different patentability issues." *Apple Inc. v. SEVEN Networks, LLC*, IPR2020-00156, Paper 10, 19 (PTAB June 15, 2020); *Sand Revolution II, LLC v. Continental Intermodal Group-Trucking LLC*, IPR2019-01393, Paper 24, 12 (PTAB June 16, 2020); *Google LLC v. Flypsi, Inc.*, IPR2023-00360, Paper 9, 36-39 (PTAB August 2, 2023). Therefore, *Fintiv* factor 4 strongly favors institution.

5. Factor 5: The Same Parties are in the Co-Pending Litigation (Neutral)

Fintiv Factor 5—The parties in this IPR are also parties in the co-pending Texas litigation. This factor is neutral.

6. Factor 6: ACT's Identified "Other Circumstances" Lack Merit and Do Not Weigh in Favor of Discretionary Denial (Favors Referral)

As mentioned above, ACT does not address the merits of the Petition. Nor can they. The Petition presents a compelling case for unpatentability, including grounds that apply prior art that the Examiner previously endorsed but overlooked at allowance, thus committing material error.

The merits of the Petition are strong and well-supported by competent expert

testimony and contemporaneous documentary evidence, including patents, printed publications, and standards specifications that corroborate the obviousness of the claimed subject matter. Tellingly, ACT identified no deficiencies in the merits of the Petition's prior-art challenges at all. This is unsurprising in light of plentiful evidence cited in the Petition that well establishes how the claims are directed to conventional features well-known in the field of art long before the Critical Date of the '101 Patent. Not only Apple, but the public broadly, shares an interest in ensuring that all claims of the '101 Patent receive proper scrutiny from the PTAB—particularly as ACT continues to mount an aggressive litigation campaign against multiple defendants through several lawsuits in the time since buying the patents in 2022. APPLE-1070.

IV. CONCLUSION

For the foregoing reasons, a holistic evaluation of the complex and diverse litigation between the parties, material errors committed during examination, and the additional considerations laid out in the Interim Process Memorandum strongly weigh against discretionary denial. Petitioner therefore respectfully requests that this case proceed to an institution determination on the merits.

Respectfully submitted,

Dated: September 24, 2025

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CERTIFICATION UNDER 37 CFR §42.24

Under the provisions of 37 CFR § 42.24(d), the undersigned hereby certifies that the word count for the foregoing Petitioner's Opposition to Patent Owner's Discretionary Denial Brief totals 8,180 words, which is less than the 14,000 words allowed under 37 CFR § 42.24.

Respectfully submitted,

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CERTIFICATE OF SERVICE

Pursuant to 37 CFR § 42.6(e)(4), the undersigned certifies that on September 24, 2025, a complete and entire copy of this Petitioner's Opposition to Patent Owner's Request for Discretionary Denial of Institution and Accompanying Exhibits were provided by email to the Patent Owner by serving the correspondence email address of record as follows:

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