

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE LLC,

Petitioner,

v.

ADVANCED CODING TECHNOLOGIES LLC,

Patent Owner.

Patent No. 7,804,891

Filing Date: March 30, 2005

Issue Date: September 28, 2010

Inventor: Taichi Majima

Title: DEVICE AND METHOD FOR JUDGING COMMUNICATION
QUALITY AND PROGRAM USED FOR THE JUDGMENT

**AUTHORIZED RESPONSE TO
DIRECTOR REVIEW REQUEST**

Case No. IPR2025-01161

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Director Review is unnecessary because the Director has already determined that institution of an *inter partes* review (IPR) on this fifteen-year-old patent that claims priority to an application from 20 years ago, whose validity will be tried to a jury in March 2026, is not an appropriate use of the Office’s resources. Paper 12 (“Institution Decision”).

Rather than address the specific facts pertaining to discretionary denial, Google, unsatisfied with the result, merely disagrees with the legality of the Director’s October 17, 2025 Memorandum titled “Director Institution of AIA Trial Proceedings” *(available at* https://www.uspto.gov/sites/default/files/documents/Director_Institution_of_AIA_Trial_Proceedings.pdf*)* (the “Director Institution Memo”) by incorrectly reading various statutes, rules, and policies governing *inter partes* review proceedings. Google’s improper and incorrect disagreement does not warrant Director Review.

I. THE DIRECTOR DETERMINES WHETHER TO INSTITUTE AN *INTER PARTES* REVIEW UNDER 35 U.S.C. § 314

Google’s tortured and imaginative reading of various statutes, rules, and office policy (Paper 13, at 2-7) ignores the law. 35 U.S.C. § 314(b) expressly states that “[t]he *Director* shall determine whether to institute an *inter partes* review.” 35 U.S.C. § 314(b) (emphasis added). Likewise, “[t]he *Director* may not authorize an *inter partes* review to be instituted unless the *Director* determines that the

information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a) (emphasis added).

First, Google misinterprets 35 U.S.C. § 6(c). Paper 13 at 2. That an IPR shall be heard by at least 3 members of the Board designated by the Director is irrelevant because an Institution Decision determines whether an IPR will be heard at all. However, even if Google’s reading is correct, the Director Institution Memo states that the “Director, in consultation with at least three PTAB judges, will determine whether to institute trials.” Director Institution Memo, 1-2. That the Institution Decision only names the Director has no bearing on whether the Director actually consulted with PTAB judges or whether such consultation comprises an “IPR [] be[ing] heard by at least 3 members of the Board.” Google’s argument in that respect amounts to pure speculation.

Second, as noted above, Google’s reading of 37 C.F.R. § 42.4 and 37 C.F.R. § 42.108 is flawed because 35 U.S.C. § 314(b) expressly states that “[t]he *Director* shall determine whether to institute an inter partes review.” (emphasis added.) Google’s understanding of those statutes derives from an artificial distinction between the “Board” and the “Director” because the Board includes the Director. Rules of Practice for Trials Before the Patent Trial and Appeal Board and Judicial

Review of Patent Trial and Appeal Board Decisions, 77 Fed. Reg. 48,612, 48,614 (Aug. 14, 2012) (“35 U.S.C. 6(a), as amended, provides that the Patent Trial and Appeal *Board members will include the Director*, Deputy Director, Commissioner for Patents, Commissioner for Trademarks, and administrative patent judges.”) (emphasis added). With this proper understanding, Google’s selective quotes from 37 C.F.R. § 42.4 and 37 C.F.R. § 42.108 merely describe that the Board may institute an IPR on behalf of the Director. Paper 13, at 3-4 (citing 37 C.F.R. §§ 42.4, 42.108). Google’s own cited case law expressly describes that “Congress assigned the Director the decision to institute” allowing for the Board, on behalf of the Director, to institute for the practical reason of quantity of IPRs. *Ethicon Endo-Surgery, Inc. v. Covidien LP*, 812 F.3d 1023, 1031-32 (Fed. Cir. 2016).

Third, Patent Owner agrees with Petitioner that “the Decision **cannot** qualify as a Director Review decision.” Paper 13, at 5. A Director Review is plainly a “review [of] any decision on institution under 35 U.S.C. §§ 135, 314, or 324, any final decision under 35 U.S.C. §§ 135, 318, or 328, any decision granting rehearing of such a decision, or any other decision concluding a proceeding brought under 35 U.S.C. §§ 135, 311, or 321. 37 CFR § 42.75. An Institution Decision is not a review of a decision and therefore Google’s arguments requiring compliance with Director Review regulations are inapposite.

Fourth, Google’s reliance on 37 C.F.R. § 43.3(a) (and GAO 23-105336, Increased Transparency Needed in Oversight of Judicial Decision-Making (2022), available at <https://www.gao.gov/assets/gao-23-105336.pdf>) is misguided. Paper 13, at 5-6. That rule pertains to oversight for “issuance of a decision by a panel.” Here, the Director Institution Memo is clear that, instead of a panel, the Director issues the decision even if he consults with at least three PTAB judges to reach the decision. Director Institution Memo, 1-2.

Fifth, Google’s assumption of unwritten Office policies is unwarranted as purely speculative. Paper 13, at 6-7. Similarly, Google’s assumption that the Director hand-picked or convened the three PTAB judges he consulted is just as speculative and does not warrant a written policy for how “the Director selected the three consulting judges.” *Id.* Google ignores that there are regulations that explicitly allow the Director to communicate with judges (i.e., a panel) for resource needs or the procedural status of an IPR (*e.g.*, considering discretionary denial for IPR institution) 37 C.F.R. § 43.3(c) (“Nothing in this section shall prevent the Director or delegate from communicating with a panel as to resource needs or the procedural status of any proceeding pending before the Board.”).

Sixth, Google’s citation to the PTAB’s Standard Operating Procedure 1, Revision 16, titled “Assignment of Judges to Panels,” available at https://www.uspto.gov/sites/default/files/documents/sop1_r16_final.pdf (“SOP 1”)

is inapposite because it pertains to paneling or repaneling “prior to the issuance of *the panel decision*.” Paper 13, at 7 (emphasis added). As noted above, the Director issued the Institution Decision, *i.e.*, the Institution Decision was not a panel decision.

Nowhere did Congress or any statute, rule, or policy remove the ultimate authority for institution decisions from the Director or distinguish between the Director and the Board in the manner that Google seeks. Therefore, Google’s request for Director Review on the basis of its warped reading of statutes, rules, regulations, and Office policies should be rejected.

II. THE APA ARGUMENTS LACK MERIT

Google argues that the Administrative Procedures Act was violated but its rationale indicates Google simply disagreed with the decision.

First, Google argues that the Institution Decision fails to give a “brief statement of the grounds” pursuant to 5 U.S.C. § 555(e). Paper 13, at 8-9. Not so. The Institution Decision states that “[p]ursuant to 35 U.S.C. § 314(a), after review of discretionary considerations, institution of *inter partes* review is denied in the following proceedings.” Institution Decision. This is a brief statement of the grounds upon which Google’s Petition was denied. Moreover, Google is aware of what “discretionary considerations” are. *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, at 6 (P.T.A.B. Mar. 20, 2020) (precedential) (considering (a) “whether the petitioner and the defendant in the parallel proceeding are the same party”;

(b) “overlap between issues raised in the petition and in the parallel proceeding”; (c) “proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision”; (d) “investment in the parallel proceeding by the court and the parties”; (e) “whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted”; and (f) “other circumstances that impact the Board’s exercise of discretion, including the merits.”); *see also* March 26, 2025 Interim Processes for PTAB Workload Management (available at <https://www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf>) (the “Interim Processes”) (considering (i) Whether the PTAB or another forum has already adjudicated the validity or patentability of the challenged patent claims; (ii) Whether there have been changes in the law or new judicial precedent issued since issuance of the claims that may affect patentability; (iii) The strength of the unpatentability challenge; (iv) The extent of the petition's reliance on expert testimony; (v) Settled expectations of the parties, such as the length of time the claims have been in force; and (vi) Compelling economic, public health, or national security interests). Google’s argument falters especially in view of its knowledge of similar factors that were specifically articulated in the Board’s denial of institutions of Google’s Petitions with respect to Patent Owner’s other patents. *See* Paper No. 11, IPR2025-00998 (October 10, 2025);

Paper No. 11, IPR2025-00999 (October 10, 2025); Paper No. 11, IPR2025-01000 (October 10, 2025).

Second, Google manufactures a requirement that the Institution Decision fully assess the technical merits of the Petition. Paper 13, at 9-10. However, Google’s argument fails because 35 U.S.C. § 314(d) bars challenges to the way in which the Director has exercised his or her discretion in any particular case. *Apple Inc. v. Vidal*, 63 F.4th 1, 13 (Fed. Cir. 2023); *In re Motorola Sols., Inc.*, 2025-134, 2025 WL 3096514, *4 (Fed. Cir. Nov. 6, 2025). In addition to this challenge being plainly inappropriate, 35 U.S.C. § 314(c) only requires that “[t]he *Director* shall *notify* the petitioner and patent owner, in writing, of the Director’s determination.” 35 U.S.C. § 314(c) (emphasis added). Therefore, there is no requirement in the IPR statute for “Institution of inter partes review” for the Director to provide the reasoning behind the Institution Decision beyond the statement that the Institution Decision provided. 35 U.S.C. § 314.

III. GOOGLE’S RESERVATION OF RIGHTS IS IMPROPER

Google improperly reserves a scattershot of purported arguments in case a reissued decision relies upon the March 26, 2025 Interim Processes for PTAB Workload Management. Paper 13, at 11. Not only does Google fail to justify a reissued decision but, as with the Director Institution Memo, each of its arguments

do not address the facts in the present proceeding but rather the legality of the Interim Processes.

First, Google argues that the Interim Processes exceed the Director's authority. However, as noted above, "[t]he *Director* shall determine whether to institute an inter partes review," and "[t]he determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable." 35 U.S.C. § 314 (emphasis added). Therefore, Google has no basis to challenge in which the Director exercises discretion to deny institution, which is precisely what the Interim Processes pertain to.

Second, Google next argues that the Interim Processes are arbitrary and capricious. However, "[t]he agency's decision to deny [an *inter partes* review] petition is a matter committed to the Patent Office's discretion." *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 273 (2016). The applicable statutes do not "compel" the Director to institute an IPR in any circumstance, and therefore Google cannot show that the agency clearly and indisputably violated any statute (including the APA) by declining to institute this IPR. *Mylan Lab'ys. Ltd. v. Janssen Pharmaceutica, N.V.*, 989 F.3d 1375, 1382 (Fed. Cir. 2021). Under either the Interim Processes or the Director Institution Memo, Google was able to file a lengthy opposition to Patent Owner's discretionary denial brief and had an opportunity to be heard on all issues. Neither the Interim Processes or Director Institution Memo

affected its ability to properly present its case so it is unavailing that the Interim Processes are arbitrary and capricious merely because Google did not receive its desired outcome.

Third, Google manufactures a requirement that the Interim Processes had to be adopted with notice-and-comment rulemaking without any support. Notably, the preceding June 2022 Memorandum Regarding Sotera Stipulations (available at https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf) was enacted without notice and comment rulemaking. Google may have enjoyed the benefit of that Memorandum while it was in force without such rulemaking, but it cannot now claim that another memorandum, the Interim Processes, without notice and comment rulemaking somehow violates its rights.

Fourth, Google challenges the Director's application of "settled expectations" but presents no compelling reason why the "settled expectations" doctrine as currently interpreted by the Office is improper or in violation of any statute. Google has no right to institution of the IPR on any ground for any reason, and has ample opportunity to present the same invalidity arguments in the co-pending District Court Litigation. Denying institution on the basis of settled expectations is not inconsistent with the APA.

IV. CONCLUSION

For the foregoing reasons, Patent Owner respectfully requests Director Review of the Board's institution decision be denied.

Respectfully submitted,

Dated: January 5, 2026

By: /Peter Lambrianakos /
Peter Lambrianakos (Reg. No. 58,279)
Email: plambrianakos@fabricantllp.com
Lead Counsel for Patent Owner
Vincent J. Rubino, III (Reg. No. 68,594)
Email: vrubino@fabricantllp.com
Back-Up Counsel for Patent Owner
Joseph M. Mercadante (Reg. No. 64,077)
Email: jmercadante@fabricantllp.com
Julian G. Pymiento (Reg. No. 75,999)
Email: jpymiento@fabricantllp.com
Back-Up Counsel for Patent Owner
FABRICANT LLP
411 Theodore Fremd Avenue
Suite 206 South
Rye, New York 10580
Tel. 212-257-5797
Fax. 212-257-5796

CERTIFICATE OF SERVICE

A copy of the foregoing Patent Owner's Authorized Response to Petitioner's Request for Director Review has been served on Petitioner's counsel of record as follows:

Raghav Bajaj
Email: raghav.bajaj@lw.com
LATHAM & WATKINS LLP
300 Colorado Avenue, Suite 2400
Austin, Texas 78701

Linfong Tzeng
Email: linfong.tzeng@lw.com
LATHAM & WATKINS LLP
140 Scott Drive
Menlo Park, California 94025

Patricia Young
Email: patricia.young@lw.com
LATHAM & WATKINS LLP
1271 Avenue of the Americas
New York, New York 10020

Attorneys for Google LLC

January 5, 2026

By: /Peter Lambrianakos /
Peter Lambrianakos (Reg. No. 58,279)
Lead Counsel for Patent Owner