

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMAZON.COM, INC. and AMAZON WEB SERVICES, INC.,
Petitioner,

v.

DIVX, LLC,
Patent Owner.

Case IPR2025-01223
Patent 11,611,785

PATENT OWNER'S DISCRETIONARY DENIAL BRIEF

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2021	Email from Nathan Lowenstein to Daniel Rabinowitz Re: Amazon v. DivX (Aug. 19, 2025, 10:31 AM PDT) [8/19/25 Lowenstein Email]

I. INTRODUCTION

The case-at-hand presents a clear case for denial. Indeed, *both parties agree that this case should not be instituted* and Petitioner has informed Patent Owner that it will seek permission to withdraw its IPR petitions.¹ Ex. 2019 [8/13/25 Amazon Email] (“Amazon intends to seek authorization from the Board to file a motion to withdraw the *inter partes* review petitions for U.S. Patent Nos. 10,715,806, 10,412,141 and 11,611,785.”).

And Petitioner is abandoning its IPR petitions for good reason; they will be denied. Every *Fintiv* factor strongly favors denial. Not only is there no prospect of a stay, Petitioner’s motion to stay the district court action has already been denied. Ex. 2004 [Order Denying Stay] 5; *see* Section III.A. The district court action is scheduled to go to trial between January 20 and February 16, 2026—*eleven to twelve months* before the January 20, 2027 final written decision deadline. *See* Section III.B.

The case is very far along and by the January 20, 2026 institution decision deadline, the parties will have (i) completed fact *and* expert discovery (December

¹ Patent Owner consents to Petitioner’s withdrawal because the Director’s decisions make clear that the petitions will be denied. Patent Owner strongly objects, however, to any further challenges brought in the Office. *See* Section IV.

12, 2025); (ii) exchanged both preliminary (August 1-15, 2025) and final infringement and invalidity contentions (October 3-13, 2025); (iii) completed the claim construction process (hearing scheduled for October 2, 2025 subject to Court availability); and (iv) completed source code document production (August 8, 2025) and non-source code document production (September 5, 2025). Ex. 2005 [Rule 16(B) Scheduling Order] 2-3; *see* Section III.C. Indeed, trial may begin the very day the institution decision is due.

Here, there is a complete overlap between the IPR grounds which are both incorporated by reference into the district court invalidity contentions and expressly identified therein. Significantly, Petitioner has not offered any stipulation—*Sotera* or otherwise—to mitigate the overlap between the IPRs and the District Court Action. *See* Sections III.D. Petitioner and Patent Owner are the same parties to the District Court Action (*see* Section III.E) and the surrounding circumstances—including settled expectations, undue reliance upon a POSITA’s general knowledge, unfocused expert testimony, and art considered by the Examiner, the weak merits, and the lack of any change in the law—only further support denial (*see* Section III.F).

This is not a close case and by asking to withdraw, Petitioner essentially concedes there is no chance of institution. The *Fintiv* factors overwhelmingly favor denial, as confirmed by dozens of recent Director decisions, and there is no

reason for this IPR to go forward when Petitioner can present the very same grounds to the jury 11-12 months before a final written decision would be reached. For this same reason, while Patent Owner does not oppose Petitioner withdrawing petitions that are doomed to fail, Patent Owner strongly objects to Petitioner gaming the system by withdrawing its IPR petitions only to file the same or similar challenges in *ex parte* reexaminations. *See* Section IV.

II. FACTUAL BACKGROUND

The parties are litigating a related district court action, *DivX, LLC v. Amazon.com, Inc.*, 1-24-cv-02061 (E.D. Va.) (“District Court Action”) involving seven patents, identified in the table below, including the ’141 patent. Petitioner has only challenged three of the seven patents in IPR. In its motion to stay, Petitioner confirmed it would not challenge two of the seven patents but stated that it would file IPRs challenging the remaining two in July. *See* Ex. 2006 [Motion to Stay] 6-7. Petitioner, however, did not ultimately file the other two promised IPR petitions. Rather, Petitioner has informed Patent Owner’s counsel that it will not challenge any of the four remaining patents and, instead, would like to withdraw the three IPR petitions already filed. Ex. 2019 [8/13/25 Amazon Email] ; Ex. 2020 [8/15/25 Lowenstein Email].

Patents Asserted In District Court Action					
Patent	Date Issued	IPR	IPR Filing Date	Institution Decision	FWD Deadline
10,715,806	7/14/20	IPR2025-01062	5/27/25	12/22/25	12/22/26
10,412,141	9/10/19	IPR2025-01222	6/30/25	1/20/26	1/20/27
11,611,785	3/21/23	IPR2025-01223	6/30/25	1/20/26	1/20/27
10,542,303	1/21/20	No challenge	n/a	n/a	n/a
11,245,938	2/8/22	No challenge	n/a	n/a	n/a
12,184,943	12/31/24	No challenge	n/a	n/a	n/a
9,955,195	4/24/18	No challenge	n/a	n/a	n/a

In lieu of its IPR petitions, under questioning from Patent Owner’s counsel, Petitioner confirmed its intention to file ex parte reexamination challenges against the three patents. Ex. 2021 [8/19/25 Lowenstein Email] . While Patent Owner does not oppose the withdrawal of the petitions—because the petitions would have been denied in view of the District Court Action—Patent Owner strongly opposes Petitioner’s promised attempt to challenge the patents yet again in parallel with the District Court Action. *See also* Section IV.

As can be seen in the table above, the institution decisions are due between December 22, 2025 and January 20, 2026, with Final Written Decisions due between December 22, 2026 and January 20, 2027. By the time these IPRs reach their final written decision deadlines, however, the District Court Action trial will have long since concluded. The district court set a final pretrial conference for December 18, 2025 (before the earliest institution decision deadline), and

scheduled trial to commence within four to eight weeks after that date, *i.e.*, between January 20 and February 16, 2026. Thus, the trial may commence on or before the institution decision deadline in two of the three IPR cases.

Petitioner’s attempt to stay the District Court Action in view of the pending IPRs, was denied with the Court further indicating that it would not stay the case even if the IPRs—including those promised but not actually filed—are instituted. *See* 2004 [Order Denying Stay] 3 (“Even if Amazon files more IPR petitions challenging all asserted claims in the additional patents at issue, at least two of Plaintiff’s asserted patents will not be challenged, leaving all issues with respect to those patents unaffected. . . . Thus, Amazon’s three IPR petitions, if instituted, will only have a marginal effect on the issues before this Court, and if additional IPR petitions are filed, claim construction and validity issues, among other issues, will still remain as to at least some asserted patents. Thus, the Court finds that this factor weighs against a stay.”).

Not surprisingly, the District Court Action will be very far along by the time of the institution decisions and even before discretionary denial briefing has concluded, as confirmed by the chart below comparing the District Court Action with the preinstitution IPR schedule. Indeed, every major pre-trial event, including the close of discovery, claim construction, the exchange of preliminary and final

contentions, and the Final Pretrial Conference itself, will have occurred by the institution deadline in the first filed IPR:

District Court Action Schedule And IPR Schedule Comparison		
IPR Stage	District Court Action Event	Deadline
Before Discretionary Denial Brief Is Filed (8/19/2025)	Rule 16(b) Conference	7/22/2025
	Serve Rule 26(a) Initial Disclosures	7/24/2025
	Submission of proposed Protective Order and ESI Stipulation	7/24/2025
	Preliminary Identification of Asserted Claims and Priority Dates and Preliminary Infringement Disclosures	8/1/2025
	Deadline for substantial completion of source code production	8/8/2025
	Preliminary Disclosure and Production of Asserted Prior Art Preliminary Invalidity Disclosures	8/15/2025
Before Petitioner's Response to Discretionary Denial Brief Is Due (10/17/2025)	Exchange proposed terms for construction	8/21/2025
	Last day to amend pleadings	8/26/2025
	Exchange proposed claim constructions and extrinsic evidence	8/28/2025
	Deadline for substantial completion of document production for non-source code documents	9/5/2025
	Parties to file simultaneous Opening Claim Construction Briefs	9/12/2025
	Parties to file simultaneous Responsive Claim Construction Briefs	9/26/2025
	Claim Construction Hearing	10/2/2025 subject to Court availability
	All privilege logs to be completed and served	10/3/2025
	Final Infringement Contentions	10/3/2025

	Final Invalidation Contentions	10/13/2025
Before Institution Decision Is Due (1/20/2026)	Opening Expert Reports for the party with burden of proof	10/24/2025
	Rebuttal Expert Reports	11/21/2025
	Close of discovery	12/12/2025
	Final Pretrial Conference	12/18/2025, 10:00 a.m.
	Deadline to file list of trial exhibits, witnesses, and written stipulation of uncontested facts	12/18/2025

Although the District Court Action was filed in November 2024, Petitioner did not file its first IPR Petition, IPR2025-01062, until May 27, 2025. The next two IPR petitions, IPR2025-01222 and -01223, took over a month more and were filed June 30, 2025. Petitioner promised the District Court two additional IPR petitions by the end of July but ultimately decided not to file them. Ex. 2020 [8/15/25 Lowenstein Email] . Thus, four out of seven asserted patents will not be challenged in IPR. *See* Ex. 2004 [Order Denying Stay] 3.

On August 15, 2025, Petitioner served its invalidity contentions. Those contentions incorporate its IPR grounds in their entirety into the contentions. *See* Ex. 2007 [Invalidity Contentions] 2. The contentions, moreover, expressly repeat the very same IPR grounds for each of the three patents. *Compare id.*, 57-58 (raising Ozer, Liao, and Ronca IPR references) *with* Pet., 1-2; *see also* Ex. 2007 [Invalidity Contentions] 28 (raising Sambe/Vetro and Sambe/Vetro/Gu IPR grounds against '806 patent); *id.*, 17 (raising Hagai/Li, Hagai/Li/Park,

Hagai/Li/Schmitz, and Hagai/Li/Park/Schmitz IPR grounds against '141 patent).

For each patent, Petitioner's invalidity contentions additionally rely upon systems prior art. Ex. 2007 [Invalidity Contentions] 29 (systems art as to '806), 20-21 (systems art as to '141), 61-63 (systems art as to '785).

Despite the complete overlap between the IPR petitions and the District Court action, Petitioner has not offered any stipulation—*Sotera* or otherwise—to mitigate the duplication. As discussed in the sections below, this factual record presents a clear case for denial under *Fintiv*.

III. THE PETITION SHOULD BE DENIED UNDER *FINTIV*.

Institution should be denied because each of the six *Fintiv* factors, discussed in turn below, strongly favors denial. See *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, 5-6 (Mar. 20, 2020) (precedential) ("*Fintiv*"). Indeed, and for this reason, Petitioner has already sought Patent Owner's consent to withdraw each of the petitions. See Ex. 2019 [8/13/25 Amazon Email].

A. *Fintiv* Factor #1: Petitioner's Motion To Stay Has Already Been Denied.

Factor #1 strongly favors denial because Petitioner motion to stay the District Court Action has already been denied. Ex. 2004 [Order Denying Stay] 5.

In denying the stay motion, the Court strongly suggested that no stay would be granted even if (a) Amazon files more IPR petitions *and* (b) all Amazon's IPR petitions are instituted:

Even if Amazon files more IPR petitions challenging all asserted claims in the additional patents at issue, at least two of Plaintiff's asserted patents will not be challenged, leaving all issues with respect to those patents unaffected. Unlike *Airspace Sys., Inc. v. Axon Enter., Inc.*, Amazon is not challenging all patent claims of all asserted patents brought by Plaintiff. No. 1:24-cv-1625, Dkt. No. 61 (E.D. Va. Apr. 17, 2025). ***Thus, Amazon's three IPR petitions, if instituted, will only have a marginal effect on the issues before this Court, and if additional IPR petitions are filed, claim construction and validity issues, among other issues, will still remain as to at least some asserted patents.*** Thus, the Court finds that this factor weighs against a stay.

Ex. 2004 [Order Denying Stay] 2-3. Now, not only has Petitioner not filed the promised additional two IPRs, it has also confirmed it will not file any further IPRs, it has sought Patent Owner's consent to withdraw the three IPR petitions. *See* Ex. 2019 [8/13/25 Amazon Email]; 2020 [8/15/25 Lowenstein Email] .

Moreover, the District Court also considers "the stage of the litigation" "[i]n determining whether to exercise its discretion to stay patent litigation pending an IPR proceeding." *Id.*, 2. Here, the District Court Action is set to go to trial sometime between January 20 and February 16, 2026. By the time the institution decision is due, fact and expert discovery will have been completed, claim construction will have concluded, both preliminary and final infringement and invalidity contentions will have been exchanged, and trial may have already begun.

See Ex. 2005 [Rule 16(B) Scheduling Order] 2-3; *see also* Section II. Thus, if any renewed stay motion were brought, it will be rejected.

Here, where Petitioner’s motion to stay has already been rejected, the Court has indicated it will still be rejected even if the IPRs are instituted, and the District Court Action is very far along, Factor 1 strongly favors denial.

B. *Fintiv* Factor #2: The Trial Will Conclude Eleven To Twelve Months Before The Final Written Decision Deadline.

Factor #2—“proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision”—strongly favors denial. Here, the Final Written Decision will not be due until January 20, 2027², 11-12 months after the district court trial is scheduled to commence.

The District Court Action is set for trial between January 20, 2026 and February 16, 2026, 10-11 months before the earliest FWD deadline. *See* Ex. 2005 [Rule 16(B) Scheduling-Order] 2-3. More specifically, the Court has ordered that the trial will occur at a “day certain” that is “within 4-8 weeks of the final pretrial conference.” Ex. 2008 [Initial Scheduling Order] 1. Because the pretrial conference is set for December 18, 2025, the trial will commence sometime between January 20 and February 16, 2026, *i.e.*, 4-8 weeks after December 18.

² January 19, 2026 is a federal holiday.

A trial between January 20 and February 16, 2026 aligns with the Eastern District of Virginia's average time to trial of 14.6 months. *See* Ex. 2009 [EDVA Time To Trial]. The District Court Action was filed in November 2024, and the January to February 2026 range for a trial date precisely matches the average time to trial.

Moreover, it was Petitioner's delay that increased the delta between the district court's trial date and when the IPR process would conclude. Petitioner's first IPR, IPR2025-01062, was filed on May 27, over seven months after the district court Complaint. But even if that delay could be excused, Petitioner waited another month, until June 30, to file IPR2025-01222 and -01223, resulting in a January 20, 2027 final written decision deadline. Petitioner promised two additional IPR petitions even later, by the end of July but has since decided not to file further petitions and has sought permission to withdraw the three already filed petitions. *See* Ex. 2019 [8/13/25 Amazon Email].

Where the district court trial is set to proceed even five months before the final written decision deadline, the Director has almost universally denied institution under *Fintiv*. Indeed, Director has denied institution in over 100 such cases that Patent Owner has identified. The *only* exception Patent Owner has seen was a trio of related cases where the Office applied an erroneous priority date

during prosecution.³ Moreover, the denials include at least 37 cases involving a patent that issued within the last six years. *E.g.*, *Azurity Pharms., Inc. v. Heron Therapeutics, Inc.*, PGR2025-00035, Paper 11, 2-3 (Aug. 14, 2025) (denying two petitions with an 11-month delta between trial and FWD, patents issued in 2024); *AT&T Services Inc. v. RightQuestion LLC*, IPR2025-00360, Paper 12, 2 (July 29, 2025) (12-month delta, patents issued 2020, 2023, 2021); *T-Mobile USA, Inc. v. Smart RF Inc.*, IPR2025-00691, Paper 13, 2 (July 29, 2025) (11-month delta, patent issued 2021); *Cellco P'ship v. Pegasus Wireless Innovation, LLC*, IPR2025-00137, Paper 17, 2 (June 26, 2025) (10-month delta, patent issued 2022); *Kingston Tech. Co., Inc. v. Vervain, LLC*, IPR2025-00616, Paper 13, 2 (July 16, 2025) (9.5-month delta, patent issued 2021); *Samsung Elecs. Co., Ltd. v. Vasu Holdings, LLC*, IPR2025-00447, Paper 12 (July 10, 2025) (9-month delta, patents issued in 2019); *Google LLC v. Mullen Indus. LLC*, IPR2025-00365, Paper 16, 2 (June 25, 2025) (9-month delta, patents issued 2022). Here, where there is a 11-12 month gap

³ In three IPRs between Padagis and Neurelis, the Director referred the petitions to the Board because the Office erred by failing to give the correct priority date to a family of patents, although that date had been determined by the PTAB in another decision that was affirmed by the Federal Circuit. *Padagis US LLC v. Neurelis, Inc.*, IPR2025-00464, Paper 12, 3 (July 16, 2025).

between the district court trial date and the final written decisions, this is a clear case for denial.

Even if we were to imagine some extraordinary circumstance wherein the district court trial were to be delayed by a year, that still would not justify maintaining two parallel proceedings in view of the investment of the parties. As the Director has explained:

Notably, the parties offer conflicting time-to-trial statistics that suggest trial could begin as early as April 2026 or as late as September 2026. *... Even though a district court trial date that occurs after a projected final written decision date reduces the possibility of conflicting decisions, that benefit does not outweigh the efficiencies gained by avoiding parallel proceedings in this instance because of the parties' meaningful investment* in the district court proceeding discussed above.

Advanced Micro Devices, Inc. v. Concurrent Ventures, LLC, IPR2025-00223, Paper 9, 2 (June 12, 2025).

Here, given the 11-12 month gap between the final written decision deadline and the district court trial date, Factor 2 overwhelmingly favors denial.

C. *Fintiv* Factor #3: There Will Be Enormous “Investment In The Parallel Proceeding By The Court And Parties.”

Factor #3—“investment in the parallel proceeding by the court and the parties”—strongly favors denial.

By the January 20, 2026 institution decision deadline, fact and expert discovery will have concluded, claim construction will have completed, preliminary and final contentions will have been exchanged, and the Final Pretrial Conference will have occurred. Ex. 2005 [Rule 16(B) Scheduling Order] 2-3. Indeed, much of this will have occurred by the time the parties' discretionary denial briefing is complete:

District Court Action Schedule And IPR Schedule Comparison		
IPR Stage	District Court Action Event	Deadline
Before Discretionary Denial Brief Is Filed (8/19/2025)	Rule 16(b) Conference	7/22/2025
	Serve Rule 26(a) Initial Disclosures	7/24/2025
	Submission of proposed Protective Order and ESI Stipulation	7/24/2025
	Preliminary Identification of Asserted Claims and Priority Dates and Preliminary Infringement Disclosures	8/1/2025
	Deadline for substantial completion of source code production	8/8/2025
	Preliminary Disclosure and Production of Asserted Prior Art Preliminary Invalidity Disclosures	8/15/2025
	Before Petitioner's Response to Discretionary Denial Brief Is Due (10/17/2025)	Exchange proposed terms for construction
Last day to amend pleadings		8/26/2025
Exchange proposed claim constructions and extrinsic evidence		8/28/2025
Deadline for substantial completion of document production for non-source code documents		9/5/2025
Parties to file simultaneous Opening Claim Construction Briefs		9/12/2025
Parties to file simultaneous Responsive Claim		9/26/2025

	Claim Construction Hearing	10/2/2025 subject to Court availability
	All privilege logs to be completed and served	10/3/2025
	Final Infringement Contentions	10/3/2025
	Final Invalidity Contentions	10/13/2025
Before Institution Decision Is Due (1/20/2026)	Opening Expert Reports for the party with burden of proof	10/24/2025
	Rebuttal Expert Reports	11/21/2025
	Close of discovery	12/12/2025
	Final Pretrial Conference	12/18/2025, 10:00 a.m.
	Deadline to file list of trial exhibits, witnesses, and written stipulation of uncontested facts	12/18/2025

The Director has consistently found there was meaningful investment in the district court proceeding where the parties have exchanged preliminary invalidity contentions and/or started claim construction briefing. *See, e.g., Motorola Sols., Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19, 3 (Mar. 28, 2025) (factor 3 “strongly favors denial” where parties had “served extensive infringement and invalidity contentions,” “filed claim construction briefs,” and district court had “construed the disputed claim terms.”); *see also Advanced Micro Devices, Inc. v. Concurrent Ventures, LLC*, IPR2025-00223, Paper 9, 2 (June 12, 2025) (factor 3 favored denial where *inter alia* “parties have exchanged infringement and invalidity contentions” and “a *Markman* hearing is scheduled to occur before the

due date for an institution decision”); *Phison Elecs. v. Vervain, LLC*, IPR2025-00213, Paper 14, 2 (July 10, 2025) (“meaningful investment” where Markman, fact discovery expected to close before ID); *NXP USA, Inc. v. Redstone Logics LLC*, IPR2025-00485, Paper 11, 2 (July 10, 2025) (meaningful investment where Markman hearing already occurred); *Lam Research Corp. v. Inpria Corp.*, IPR2025-00256, Paper 12, 2 (July 2, 2025) (Markman hearing, fact discovery scheduled to occur before ID due date).

Thus, the case schedule in the underlying action far exceeds that found by the Director to “strongly” favor denial under factor 3.

D. Fintiv Factor #4: There Is Complete “Overlap” And No Stipulation.

Factor #4—“overlap between issues raised in the petition and in the parallel proceeding”—strongly favors denial.

There is a complete overlap between Petitioner’s invalidity contentions in the District Court Action and its IPR grounds. Indeed, Petitioner expressly incorporates by reference the entirety of its IPR petitions into its district court invalidity contentions:

Amazon incorporates by reference all prior art references, exhibits, declarations, charts, theories, and disclosures served on DivX in any prior or pending court action or proceeding before the Patent Trial and Appeal Board ... involving any of the Asserted Patents or related patents as though set forth fully herein, including but not limited

to: *Amazon.com, Inc. v. DivX, LLC*, IPR2025-01222 (PTAB);
Amazon.com, Inc. v. DivX, LLC, IPR2025-01223 (PTAB);
Amazon.com, Inc. v. DivX, LLC, IPR2025-01062 (PTAB) ...

Ex. 2007 [Invalidity Contentions] 2; *see also id.*, 3 (reserving right to supplement).

Leaving no doubt, Petitioner's invalidity contentions also expressly call out rely upon the same Ozer, Liao, and Ronca references that it relies upon in its IPR Petition. *Compare* Ex. 2007 [Invalidity Contentions] 2 *with* Pet., 1-2.

In addition to the complete overlap between its IPR grounds and its invalidity contentions, Petitioner also expressly relies upon three "prior art systems/services": "HTTP Live Streaming System," "Microsoft IIS Smooth Streaming System," and "Telestream." Ex. 2017 [Invalidity Contentions] 61. Petitioner also indicates that it may rely upon more prior art systems. *Id.*, 59 ("Amazon is continuing its investigation of the large universe of prior art to identify potential prior art systems, publications related to those systems, and third parties that may have information about those systems.").

Petitioner has not offered any stipulation (*Sotera* or otherwise) to address this duplication or to avoid potentially conflicting decisions. And, if the Petitioner were to rely upon a stipulation, it should have served one already under the Office's guidance. *See* Interim Director Discretionary Process, I.D ("If a petitioner should chooses to file a stipulation, such as a *Sotera* stipulation, they should file it as soon as practicable, so that the patent owner may address the impact of the

stipulation in its discretionary denial brief.”); *see also* Ex. 2010⁴ [Panel Discussion] (“The panel clarified that a *Sotera-* or *Sand Revolution*–type stipulation should be offered ***no later than one month after the PTAB notices the filing date of a petition.***”).

Where, as here, a petitioner fails to provide any stipulation, that favors denial even where the challenged patents are newly issued:

As to IPR2025-00215, PGR2025-00010, and PGR2025-00011, the challenged patents have not been in force for a significant period of time (issued in 2021, 2024, and 2024). Ordinarily this might favor referral to the Board; however, Petitioner has not offered a stipulation to address concerns of duplicative efforts and potentially conflicting decisions in view of a significantly earlier trial date in a co-pending case that is unlikely to be stayed. The absence of such a stipulation tips the balance in favor of discretionary denial.

Phison Elecs. Corp. v. Vervain, LLC, IPR2025-00215, Paper 15, 3 (July 10, 2025); *see also Charter Comms., Inc. v. Iarnach Techs. Ltd.*, IPR2025-00473, Paper 14, 2 (July 16, 2025) (“Petitioner has not offered a stipulation to address[] concerns of

⁴ Available at: <https://www.winston.com/en/insights-news/ptab-holds-informative-discussion-with-stakeholders-answering-questions-about-the-new-discretionary-denial-briefing-process>

duplicative efforts and potentially conflicting decisions. ... The absence of such a stipulation tips the balance in favor of discretionary denial.”).

And even if Petitioner were to later provide a stipulation—even one that went beyond *Sotera*—it too would be unavailing. As the Director recently explained in granting review and vacating an institution decision, even an “enhanced” stipulation that goes beyond *Sotera* would not justify institution where “[t]he district court has not granted a stay and the likely trial date in the parallel proceeding is approximately four months before the final written decision”:

Petitioner responds that its stipulation prevents any overlap between the petition and the parallel proceeding because Petitioner enhanced its stipulation after institution and agreed not to combine its CarnoJet system art with the published prior art used in the petition. See Paper 10, 1–2. Petitioner also argues the strength of its petition is compelling, and that the Board’s assessment of the other factors was correct. *Id.* at 3–5.

The Board erred in giving too much weight to Petitioner’s stipulation and not enough weight to the advanced state of the parallel district court proceeding. ***The district court has not granted a stay and the likely trial date in the parallel proceeding is approximately four months before the final written decision.*** As such, it is unlikely that a final written decision in this proceeding will issue before the district court trial occurs. Considering the Fintiv factors as a whole, although Petitioner’s enhanced stipulation may mitigate some concern of duplication between the parallel proceeding and this proceeding, ***the***

stipulation does not outweigh the other Fintiv factors. Accordingly, the efficiency and integrity of the system are best served by denying review.

Green Revolution Cooling, Inc., v. Midas Green Tech., LLC, IPR2025-00196, Paper 15, 2-3 (Jul. 25, 2025). Here, not only has the district court not granted a stay, it has affirmatively rejected Petitioner’s stay motion. *See* Ex. 2004 [Order Denying Stay]; *see also* Section III.A. Additionally, here, there is not a mere four-month gap, the trial is scheduled to occur 11-12 months before the final written decision deadline. Thus, regardless of whether Petitioner submits a stipulation, it would “not outweigh the other *Fintiv* factors.”

E. *Fintiv* Factor #5: Amazon Is Both The Petitioner And The Defendant In The Parallel Proceeding.

Factor #5—“whether the petitioner and the defendant in the parallel proceeding are the same party”—strongly favors denial. *Fintiv*, 13-14. Petitioner is the defendant in the District Court Action. “Because the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial.” *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15, 15 (May 13, 2020) (informative) (“*Fintiv II*”).

F. *Fintiv* Factor #6: “Other Circumstances That Impact The Board’s Exercise Of Discretion” Favor Non-Institution.

Factor #6—“other circumstances that impact the Board’s exercise of discretion, including the merits”—strongly favors denial. Here, the surrounding

circumstances do more than reinforce the first five *Fintiv* factors—they make institution inappropriate in their own right.

If more were needed, and as discussed below, the expectations are settled, the Petition relies upon a reference already presented to the Office during prosecution, presents weak grounds, and leans heavily on a voluminous and unfocused expert declaration to fill gaps in the prior art through a POSITA’s supposed “general knowledge.” These flaws, individually and collectively, weigh strongly in favor of discretionary denial under 35 U.S.C. §§ 314(a) and/or 325(d), even separate and apart from the *Fintiv* doctrine. *See* Interim Director Discretionary Process, I.B; Interim Processes for PTAB Workload Management Memorandum (“Memorandum”).

Settled Expectations. The ’785 patent has been licensed in Petitioner’s technological space. DivX has licensed the challenged patents to at least seven companies in the consumer electronics space. Ex. 2011 [Egnatios-Decl.] ¶¶ 2, 4; Ex. 2012 [Business-Wire-Hisense]; Ex. 2013 [Business-Wire-Roku]; Ex. 2014 [Press-Release-TCL]; Ex. 2015 [Business-Wire-Vizio]; Ex. 2016 [Mintz]. Amazon creates and sells numerous products in the consumer electronics space, including Fire TV, Echo smart speakers and displays, Fire tablets, Kindle e-readers, home Wi-Fi and networking products and more.

DivX also has licensed the challenged patents in the streaming and/or

platform space with at least three companies. Ex. 2011 [Egnatios-Decl.] ¶¶ 3-4; Ex. 2013 [Business-Wire-Roku]; Ex. 2017 [Business-Wire-Disney]; Ex. 2018 [Business-Wire-Watcha]. Amazon through, *e.g.*, Amazon Prime, is clearly involved in the streaming technology space.

These agreements plainly cover the patents-at-issue which are explicitly identified in many of the agreements. Ex. 2011 [Egnatios-Decl.] ¶¶ 2-4. The parties have also engaged in conversations regarding DivX's patents. *Id.*, ¶ 5.

Thus, through DivX's licensing the patents-at-issue in two technological areas Petitioner is involved in and through litigation and discussions with Patent Owner, Petitioner has had deep knowledge of DivX and its patents. As the Director has consistently found, even pre-suit awareness that "Patent Owner was involved in the same technology space for a significant amount of time" but "fail[ed] to seek early review of the patents" favors denial:

Other factors, however, weigh in favor of discretionary denial. In particular, the challenged patent has been in force for more than 16 years, creating strong settled expectations for Patent Owner. Additionally, *Petitioner and Patent Owner had discussions in 2007 regarding the technology space involving the challenged patent. Therefore, Petitioner was aware that Patent Owner was involved in the same technology space for a significant amount of time before filing its Petition challenging Patent Owner's patent.* A failure to seek

early review of the patent favors denial and outweighs the above-discussed considerations

Murata Mfg. v. Georgia Tech. Research Corp., IPR2025-00383, Paper 14, 2-3 (July 29, 2025).

Similarly, in *Neural AI*, the Director denied institution as to a reissue patent that issued in 2023 where the parties discussed patent owner's patents:

The patent challenged in IPR2025-00608, however, has not been in force for a significant period of time. Although the patent originally issued in 2015, the patent reissued in 2023 with different claims from the original patent. While ordinarily such circumstances would counsel against discretionary denial, Petitioner and the original patent owner, Neurala, Inc., had a commercial relationship and, in 2017, Neurala sent Petitioner a presentation that included a discussion of Neurala's patent portfolio, including the patent challenged in IPR2025-00606 and the original patent that the patent challenged in IPR2025-00608 issued from. DD Req. 21–27. Accordingly, Petitioner had actual notice of the challenged patents and Petitioner's failure to seek early review of the patents favors denial.

NVIDIA Corp. v. Neural AI, LLC, IPR2025-00608, Paper 18, 2-3 (July 31, 2025).

Here, too, Petitioner had ample awareness of Patent Owner's patents.

Even if the patent did not give rise to settled expectations, that would not be relevant here where other factors overwhelmingly favoring institution. Indeed, and as discussed in Section III.B, the Director has consistently denied institution under

Fintiv where there is at least a five-month gap between the district court trial date and the final written decision deadline even if the patent issued less than six years ago. Additionally, where, as here, the Petitioner did not provide a *Sotera* stipulation, that too overcomes any potential lack of “settled expectations.” See Section III.D (citing *Phison* and *Charter*).

Excessive Reliance Upon The Alleged “General Knowledge Of A POSITA.” The Petition should further be denied because it relies unduly upon the alleged “general knowledge of a POSITA.” Indeed, such alleged “general knowledge” is expressly invoked in each of its grounds:

Proposed Grounds of Unpatentability	
Ground 1	Ozer in view of Liao and General Knowledge of a POSITA renders claims 1-4, 7-14, 17-19 obvious under pre-AIA §103.
Ground 2	Ozer in view of Liao, Gu, and General Knowledge of a POSITA renders claims 6 and 16 obvious under pre-AIA §103.
Ground 3	Ronca in view of Liao and General Knowledge of a POSITA renders claims 1-4, 7, 9-14, 17, 19 obvious under pre-AIA §103.
Ground 4	Ronca in view of Liao, Gu, and General Knowledge of a POSITA renders claims 6 and 16 obvious under pre-AIA §103.

Pet., 1-2. Similarly, Petitioner invokes the alleged “understanding” or “knowledge” of a POSITA over 70 times in the Petition. See, e.g., Pet., 23 (“Ozer in view of Liao and general knowledge of a POSITA teaches claim limitation [1.a.]”).

There is no reason to institute a petition that must stretch beyond “prior art consisting of patents and printed publications,” the statutory basis for IPR challenges. *See* 35 U.S.C. § 311(b); Interim Director Discretionary Process, (“non-discretionary considerations include those relevant to, for example, 35 U.S.C. §§ 311”).

Petitioner’s Overreliance On Expert Testimony Further Supports

Discretionary Denial. Relatedly, Petitioner’s excessive reliance on Dr. Kalva’s unfocused expert declaration further strengthens the case for denial. Interim Director Discretionary Process, I.F (discussing “The extent of the petition’s reliance on expert testimony.”).

This case exemplifies overreliance on precisely the sort of unfocused, gap-filling expert opinion the Office has cautioned against. Again, Petitioner’s grounds explicitly invoke the “General Knowledge of a POSITA,” implicitly acknowledging that expert opinion is necessary to fill the gaps in the prior art. Pet., 1-2. Petitioner relies upon Dr. Kalva to fill in what a POSITA “would have understood,” “known,” or “found obvious” over 70 times. *E.g.*, Pet., 46-47 (relying on Dr. Kalva’s testimony to prove a “POSITA would have understood that creating video encodings with different combinations of these characteristics—resolution, sample aspect ratio, and display aspect ratio—would help to avoid potential distortions” and that “a POSITA would have known to encode a video

with one display aspect ratio using different resolutions with different sample aspect ratios.”).

In short, the Petition is not based “on prior art patents and printed publications,” as the statute and regulations require. It is founded instead on Dr. Kalva’s gap-filling narrative. The Director should exercise discretion and deny institution.

§ 325(d). The Petition should also be denied institution because “the same or substantially the same prior art or arguments previously were presented to the Office.” 35 U.S.C. § 325(d). The two-part *Advanced Bionics* test is clearly met here. *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6, 8-10 (Feb. 13, 2020) (precedential).

The first *Advanced Bionics* prong considers “whether the same or substantially the same art previously was presented to the Office.” *Advanced Bionics*, 8. That prong is undeniably met here by Gu which was “previously ... presented to the Office” during prosecution. *See* Pet., 18 (“Gu was disclosed to the PTO during prosecution of the 785 patent”). During prosecution, Gu was identified in an IDS:

INFORMATION DISCLOSURE STATEMENT BY APPLICANT (Not for submission under 37 CFR 1.99)	Application Number	17/181,996
	Filing Date	February 22, 2021
	First Named Inventor	Kouros Soroushian
	Art Unit	OPAP
	Examiner Name	Docket Central
	Attorney Docket Number	D1-02350.CON3

U.S. PATENTS						
Examiner Initial*	Cite No	Patent Number	Kind Code ¹	Issue Date	Name of Patentee or Applicant of cited Document	Pages, Columns, Lines, Where Relevant Passages or Relevant Figures Appear
		5477272	A	1995-12-19	Zhang et al.	
		6192154	B1	2001-02-20	Rajagopalan et al.	
		8472792		2013-06-25	Ahsan Butt et al.	
		8897370	B1	2014-11-25	Wang et al.	
		10452715	B2	2019-10-22	Soroushian et al.	
		10595070	B2	2020-03-17	Amidei et al.	
		10931982	B2	2021-02-23	Soroushian	

U.S. PATENT APPLICATION PUBLICATIONS						
Examiner Initial*	Cite No	Publication Number	Kind Code ¹	Publication Date	Name of Patentee or Applicant of cited Document	Pages, Columns, Lines, Where Relevant Passages or Relevant Figures Appear
		20020085638	A1	2002-07-04	Morad, Amir et al.	
		20030012275	A1	2003-01-16	Boice et al.	
		20040213547	A1	2004-10-28	Hayes	
		20070053444	A1	2007-03-08	Shibata, Shojiro et al.	
		20080063051	A1	2008-03-13	Kwon et al.	
		20100189183	A1	2010-07-29	Gu, Chuang et al.	
		20100195713	A1	2010-08-05	Coulombe et al.	
		20120316941	A1	2012-12-13	Moshfeghi	

Ex. 1002 [’785-FH] 77. Subsequently, Gu was listed in the ’785 patent as a cited reference:

2010/0146055	A1	6/2010	Hannuksela et al.
2010/0158109	A1	6/2010	Dahlby et al.
2010/0189183	A1	7/2010	Gu et al.
2010/0195713	A1	8/2010	Coulombe et al.
2010/0226582	A1	9/2010	Luo et al.

Ex. 1001 [’785] p. 4.

This plainly satisfies the first prong of *Advanced Bionics*. As the Director has explained, “[c]hallenging the claims using the same prior art that was previously presented on an IDS is sufficient to satisfy the first part of the *Advanced Bionics* framework.” *Ecto World, LLC v. RAI Strategic Holdings, Inc.*, IPR2024-01280, Paper 13, 4 (May 19, 2025) (precedential) (“*Ecto World*”); *see id.*, 2, 4 (finding prong one satisfied even if references were listed in IDS with over 1,000 references).

The second *Advanced Bionics* prong considers “whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.” *Advanced Bionics*, 8. Significantly, though Petitioner recognizes that Gu was previously presented to the Office (Pet., 18, 70), Petitioner has elected not to allege, let alone show, any error on the Examiner’s part, much less a “material” one as required by *Advanced Bionics*. *See Ecto World*, 5 (petitioner must explain “how the Examiner erred in overlooking the prior art.”). Here, Petitioner makes no attempt to address how the Examiner erred, much less materially erred, in considering Gu or any other reference during prosecution of the ’785 patent. The Petition fails to identify any specific teachings that the Examiner overlooked or explain why no reasonable examiner could have found the claims patentable over these references.

Furthermore, Petitioner's generalized obviousness contentions regarding its grounds fall far short of the material error analysis required under *Ecto World*. The Director specifically rejected the notion that petitioners can "simply rely on [their] unpatentability contentions to imply that an error occurred," requiring instead that petitioners provide a specific analysis identifying the Office's alleged error and explaining why that error is material to patentability. *Ecto World*, 5-6. Petitioner's failure to provide such analysis for Gu constitutes a fundamental deficiency that warrants discretionary denial under § 325(d).

And to the extent that Petitioner suggests that the Examiner erred by failing to consider the grounds presented in the Petition, that argument too should fail. That the Examiner did not consider three references in the vast realm of prior art is not an error or flaw in his analysis. Examiners are not omniscient, and it would be unreasonable to find that not considering a specific reference to be "material error" warrants a duplicative reconsideration of extensive prosecution.

No New Authority Has Issued That Would Affect The Patentability Of The Claims. The Memorandum encourages the Office to weigh "[w]hether there have been changes in the law or new judicial precedent issued since issuance of the claims that may affect patentability." Memorandum, 2. Patent Owner is not aware of any change in the law that would affect the patentability of the claims. The legal standards governing patentability and claim construction have remained

largely unchanged. Nor does the Petition identify any new legal authority—whether statutory, precedential, or otherwise—that would undermine the Office’s original analysis. This further supports discretionary denial under § 314(a).

IV. THE OFFICE SHOULD NOT COUNTENANCE PETITIONER’S GAMESMANSHIP BY ALLOWING IT TO PROCEED WITH EX PARTE REEXAMINATIONS.

Petitioner, again, is attempting to withdraw its IPR petitions. *See* Ex. 2019 [8/13/25 Amazon Email]. Patent Owner agrees that there is no reason for the Office to waste its resources on these IPR petitions when Petitioner is raising the very same validity grounds in a district court proceeding set to occur 10-11 months before a final written decision. Because the Director’s decisions make clear that these IPR petitions should not be instituted in view of the District Court Action, Patent Owner does not oppose Petitioner’s attempt to withdraw the petitions.

Patent Owner, however, strenuously objects to Petitioner’s attempt to refile the same or similar challenges against the patents in ex parte reexaminations. *See* Ex. 2021 [8/19/25 Lowenstein Email] . The IPR petitions are being withdrawn because the Director’s decisions make clear it is a waste of the Office’s resources to institute an IPR when the district court is racing to trial and a petitioner may present its IPR defenses at that trial.

So here too, it makes little sense for Petitioner to withdraw its IPR petitions because they will be denied only for it to turn around and file ex parte

reexaminations on the same or similar grounds. Here, Petition already “presented” its IPR grounds to the Office. 35 U.S.C. § 325(d) (“In determining whether to ... order a proceeding ... the Director may take into account whether, and reject the ... request because, the same or substantially the same prior art or arguments previously were presented to the Office.”); *In re Vivint, Inc.*, 14 F.4th 1342, 1349 (Fed. Cir. 2021) (“The Patent Office has discretion to deny an *ex parte* reexamination request that raises an argument that has been previously *presented* to it ...”); *see id.*, (distinguishing between an argument being “presented” to the Office from one that is “considered” for purposes of raising an SNQ). It is Petitioner that is choosing to withdraw its grounds because it well knows the Director’s view is it should raise its validity defenses in the district court. It should not be permitted to take an end run around the Director’s rulings through the filing of yet another duplicative challenge. Patent Owner reserves all of its rights.

V. CONCLUSION

For the foregoing reasons, Patent Owner respectfully requests that institution be denied under 35 U.S.C. § 314(a).

Respectfully submitted,

/ Kenneth J. Weatherwax /

Kenneth J. Weatherwax (Reg. No. 54,528)

Nathan Lowenstein, *pro hac vice* pending

Dennis Courtney, *pro hac vice* pending

Colette Woo, *pro hac vice* pending

LOWENSTEIN & WEATHERWAX LLP

Date: August 19, 2025

CERTIFICATE OF COMPLIANCE WITH TYPE-VOLUME LIMITS

This Discretionary Denial Brief consists of 6,415 words, excluding table of contents, table of authorities, certificate of service, this certificate, or table of exhibits. The Discretionary Denial Brief complies with the type-volume limitation of 14,000 words as mandated in 37 C.F.R. § 42.24. In preparing this certificate, counsel has relied on the word count of the word-processing system used to prepare the paper (Microsoft Word).

Respectfully submitted,

/ Colette Woo /

Date: August 19, 2025

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the following documents were served by electronic service, by agreement between the parties, on the date below:

PATENT OWNER DISCRETIONARY DENIAL BRIEF

EXHIBITS 2004-2021

The names and addresses of the parties being served are as follows:

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Respectfully submitted,

/ Colette Woo /

Date: August 19, 2025