

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., LTD., AND
SAMSUNG ELECTRONICS AMERICA, INC.,

Petitioners,

v.

PAYGEO LLC,

Patent Owner.

Case No. IPR2025-01552
U.S. Patent No. 10,796,296

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

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I. INTRODUCTION

The Director should reject Patent Owner PayGeo LLC's request for discretionary denial (Paper 8, "DD Req."), consider the Petition on the merits, and institute this IPR. First, the Office erred when issuing the '296 Patent. During prosecution, the Examiner failed to conduct a search targeting the allegedly novel features. Had the Office conducted a reasonable search for these limitations, it would have found prior art, such as *Lin* and *Rackley*, which render the claims unpatentable.

Second, the '296 Patent issued less than six years ago. Samsung also concurrently challenges four related and asserted PayGeo patents, all but one of which issued less than six years ago. The Director regularly declines to discretionarily deny for such young patents.

Third, the *Fintiv* factors similarly weigh against denial. PayGeo admits that the district court trial is scheduled after the last possible final written decision ("FWD") date, which is further supported by statistical data showing that the trial may move even later. There has also been minimal investment by the parties and court in the parallel proceeding, and Samsung's stipulation eliminates any potential overlap. The Director regularly declines to discretionarily deny in such cases.

The instant Petition should be considered on the merits and instituted.

II. INSTITUTION IS REQUIRED TO CORRECT MATERIAL ERRORS AND IS AN APPROPRIATE USE OF THE OFFICE'S RESOURCES

The Office materially erred when it allowed the '296 Patent to issue. The Examiner effectively issued a first-action allowance because the sole office action during prosecution included only a double patenting rejection that was overcome by filing a Terminal Disclaimer. Ex. 1002, 74-77 (office action), 65-66 (Terminal Disclaimer), 8-20 (allowance).

In issuing only a double patenting rejection, the Examiner erred by conducting searches that did not target the specific limitations of the claims. The '296 Patent application states that it “provid[es] a platform that enables members to transfer, receive, or otherwise exchange cash and digital currency ... in a mobile telecommunications environment.” Ex. 1001, 1:38-43; Ex. 1002, 123 (specification ¶[0003]). Yet, the Examiner never included “cash” payments or transactions in their searches. *See* Ex. 1002, 30-58, 84-98. Many of the Examiner's searches focused on enrollment, credit cards, or validation and yielded hundreds of thousands of results, while subsequent narrowing searches continued to yield several hundreds or thousands of results. *See id.*, 39 (search L1 yielding 203,109 results; search L3 yielding 189,828 results; search L6 yielding 9,656 results). Even if such searches may have included relevant references, like *Lin*, the vast volume did not make them manageable. Had the Examiner narrowed the search using the '296 Patent's

description, such as by including “cash” with the search terms regarding payment sources, credit cards, and payment functions, the Examiner would have found *Lin*.

For example, searching for U.S. patents and published applications that published before July 18, 2011 (the '296 Patent's earliest claimed priority date), by searching for “cash” within 10 words of either “account” or “payment” and also including “payment” within 10 words of “source,” “credit” within 10 words of “card,” and “payment” within 10 words of “function” would have yielded a much smaller set of results, which includes *Lin*.¹ Two such exemplary searches are listed below, returning 72 and 132 results, of which *Lin* is the 13th and 36th, respectively:

Search String	No. Results	<i>Lin</i> Result No.
("cash account"~10) AND ("payment source"~10) AND ("credit card"~10) AND ("payment function"~10) AND (PD/01/01/1789->07/18/2011)	72	13
("cash payment"~10) AND ("payment source"~10) AND ("credit card"~10) AND ("payment	132	36

¹ *Rackley* is the 6th and 8th result in Exhibits 1039 and 1040, respectively. U.S. Patent Application Publication No. 2008/0010191, also to *Rackley* (the 5th and 7th result), is substantially the same as *Rackley* and is identified in the '296 Patent's background, confirming the propriety of these searches. *See* Ex. 1001, 2:14-18.

Search String	No. Results	<i>Lin</i> Result No.
function"~10) AND (PD/01/01/1789->07/18/2011)		

Ex. 1039, 1, 4, 5; Ex. 1040, 1, 4, 6.

Had the Office conducted a reasonable search that included the description of the '296 Patent, it would have found *Lin* or another piece of prior art rendering the claims of the '296 Patent unpatentable. Thus, the Examiner's allowance resulted from not performing an appropriately targeted search. Because the Examiner did not perform a properly targeted search, they did not have these teachings and thus erred in their conclusion of patentability.

III. SETTLED EXPECTATIONS WEIGH AGAINST DISCRETIONARY DENIAL

The "settled expectations" of the parties weigh against discretionary denial because (1) four of the five challenged patents issued less than six years ago, so PayGeo has not developed settled expectations; (2) PayGeo's alleged "notice" theory based on a related publication has been rejected by district courts; and (3) Samsung did not expect enforcement of the patents. The Director has declined to discretionarily deny in similar circumstances and should do so here too.

A. The Ages of the '296 Patent and Other Challenged Patents Weigh Against Discretionary Denial

None of PayGeo's arguments related to the parties' expectations withstand scrutiny. To the contrary, all weigh against discretionary denial.

1. The '296 Patent and Most Other Challenged Patents Issued Only a Few Years Ago, Which Weighs Against Discretionary Denial

As PayGeo acknowledges, four of the five challenged patents (80%) issued less than six years ago and, therefore, lack settled expectations under the Director's prior decisions. *See* DD Req. 2-3. The '296 Patent (challenged here) issued October 6, 2020. The '018 Patent issued March 2, 2021 (IPR2025-01553); the '307 Patent issued August 10, 2021 (IPR2025-01554); and the '347 Patent issued June 18, 2024 (IPR2025-01555). None of these patents have strong settled expectations, which weighs against denial.

The Director has found that patents less than six years old weigh against discretionary denial because they “have not been in force for a significant period of time ..., and, accordingly, [a] Patent Owner has not developed strong settled expectations.” *See, e.g., Cambridge Indus. USA, Inc. v. Applied Optoelects., Inc.*, IPR2025-00434, Paper 11 at 2-3 (Director June 26, 2025) (patent that issued in 2019 “ha[d] not developed strong settled expectations”); *Berkshire Hathaway Energy Co. v. Birchtech Corp.*, IPR2025-00274, Paper 23 at 2-3 (Director July 2, 2025) (same for patents that “issued in 2019 and 2020”); *see also Samsung Elecs. Co. v. Wilus Inst. of Standards & Tech. Inc.*, IPR2025-00935, Paper 12 at 2 (Deshpande, C.J., Sep. 26, 2025); *Samsung Elecs. Co. v. Wilus Inst. of Standards & Tech. Inc.*, IPR2025-00933, Paper 11 at 3 (Deshpande, C.J., Oct. 10, 2025).

PayGeo, lacking strong settled expectations for four of the five challenged patents, attempts to rely on the '671 Patent (IPR2025-01551), which issued October 8, 2013. *See* DD Req. 2-3. This still does not favor denial. In *Embody, Inc. v. LifeNet Health*, IPR2025-00248, Paper 13 (Director June 26, 2025), the Director declined to discretionarily deny when one challenged patent was more than six years old, but other patents were less than six years old. The Director concluded that “Patent Owner has not developed strong settled expectations that favor discretionary denial as to the first [2022] patent, and it ***is an efficient use of Board resources to address the related [older] patent***” that was more than six years old. *Id.* at 2-3 (emphasis added). As in *Embody*, the single older '671 Patent cannot overcome the lack of settled expectations for the four related patents that issued less than six years ago. Indeed, the facts here weigh more strongly against discretionary denial given the much larger proportion of young patents here.

PayGeo’s citation to *iCashe* is distinguishable. DD Req. 3. In *iCashe*, of the seven challenged patents, five patents (71%) issued more than six years ago, while two patents (29%) issued in March 2022 and July 2023. The Director found that two younger patents “ordinarily ... might counsel against discretionary denial,” but denied institution because, in part, it would be an “inefficient use of Board resources” to review two patents while the district court considers the other five older patents. *Samsung Elecs. Co. v. iCashe, Inc.*, IPR2025-00639, Paper 11 at 2-3 (Deshpande,

C.J., Aug. 14, 2025). This case presents the opposite situation. Here, 80% of the challenged patents (four of five) issued less than six years ago (like in *Embody*) and only one patent issued more than six years ago. These differences counsel against discretionary denial, as in *Embody*, because it is more efficient for the Board to review the four young patents without settled expectations as well as the singular older patent, especially in light of the material error noted above.

2. PayGeo’s Alleged “Knowledge” Does Not Support Discretionary Denial

PayGeo argues that “Samsung’s awareness of the ’296 Patent’s family creates further settled expectations,” and that “Samsung was put on notice of PayGeo’s patents and applications related to the ’296 Patent by no later than April 4, 2017,” during prosecution of a Samsung patent application. DD Req. 3-5. PayGeo then asserts that Samsung should have “avail[ed] itself of ‘the Office’s automated search systems as well as publicly available resources on the Internet.’” *Id.*, 4-5 (quoting *Dabico Airport Sols. Inc. v. AXA Power ApS*, IPR2025-00408, Paper 21 at 3 (Director June 18, 2025)). PayGeo’s argument stretches credibility.

First, PayGeo tacitly acknowledges—as it must—that the alleged related application did not itself provide knowledge of the ’296 Patent. *See* DD Req. 3-5. PayGeo’s suggestion regarding knowledge misstates *Dabico*. *Id.*, 4-5. *Dabico* found that actual notice to a petitioner is not required for a patent owner to develop settled

expectations, but *Dabico* does not state or even suggest that a related application could provide a petitioner notice of a later-filed and later-issued patent. *See generally Dabico*, IPR2025-00408, Paper 21. To the contrary, district courts have rejected PayGeo’s “notice” argument as “too nebulous” because it “is not too far a step from saying you knew there was this PTO in Virginia, and you should just go check everything there and see if anything there applies.” *See Intell. Ventures I LLC v. T-Mobile USA, Inc.*, No. 2:17-cv-00577-JRG, Hearing Tr. 61:2-9, Dkt. 297 (E.D. Tex. Jan. 3, 2019).

PayGeo’s citations to *SoundClear* and *Murata* are distinguishable. DD Req. 3-4. In *SoundClear*, both patents had been in force for more than 10 years and there was an “absence of sufficient explanation” why the Board should institute. *Google LLC v. SoundClear Techs. LLC*, IPR2025-00344, Paper 15 at 2-3 (Deshpande, C.J., Aug. 4, 2025). In *Murata*, the petitioner and patent owner had discussed “the technology space involving the challenged patent” more than 17 years before the petition was filed. *Murata Mfg. Co. v. Ga. Tech Rsch. Corp.*, IPR2025-00383, Paper 14 at 2-3 (Director July 29, 2025). Here, ample evidence weighs against discretionary denial, including that four of the five challenged patents only recently issued (unlike *SoundClear*), and PayGeo never contacted or communicated with Samsung (unlike *Murata*). Moreover, as in the *Home Depot* decision, the “challenged patent[s] ha[ve] not been commercialized, asserted, marked, licensed,

or otherwise applied in” the accused technology space, which further weighs against denial. *Home Depot U.S.A., Inc. v. H2 Intellect LLC*, IPR2025-00480, Paper 11 at 2-3 (Director Sep. 4, 2025).

iRhythm also does not favor denial. *See* DD Req. 5. In *iRhythm*, the *petitioner* “*cited* the then-pending application that issued as the challenged patent in an Information Disclosure Statement *Petitioner filed in its own* patent application.” *iRhythm Techs., Inc. v. Welch Allyn, Inc.*, IPR2025-00363, Paper 10 at 3 (Director June 6, 2025) (emphases added). Here, the alleged application was cited in passing by the Examiner and not even applied in a rejection. *See* Ex. 2001, 2-26. The fact that the Examiner did not find the publication relevant enough to apply (contrary to *iRhythm* where the petitioner acknowledged the relevance by citing it), coupled with PayGeo’s admission that its patents have not been commercialized, asserted, marked, licensed, or otherwise applied to any products like Samsung’s prior to suing Samsung, weighs against discretionary denial.

PayGeo, therefore, lacks settled expectations to support discretionary denial.

B. Samsung’s Settled Expectations Outweigh Any Expectations of PayGeo

Even if PayGeo could show it has settled expectations—it does not—Samsung had no reason to anticipate assertion of any challenged patent prior to the lawsuit because PayGeo acknowledges that there was no commercialization,

assertion, marking, licensing, or other application in Samsung's technology space. DD Req. 4-5; *see Apple Inc. v. Allani*, IPR2025-00856, Paper 11 at 3 (Director Sep. 5, 2025); *Home Depot*, IPR2025-00480, Paper 11 at 2-3; *cf. Globus Med., Inc. v. Spinelogik, Inc.*, IPR2025-00225, Paper 8 at 2 (Director June 12, 2025) (referring for merits consideration when petitioner showed it did not expect enforcement); *Intel Corp. v. Proxense LLC*, IPR2025-00327, Paper 12 at 2-3 (Director June 26, 2025). As such, Samsung's settled expectations weigh against discretionary denial.

IV. THE *FINTIV* FACTORS WEIGH AGAINST DISCRETIONARY DENIAL

The Director should not deny the Petition under *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (Mar. 20, 2020) (precedential), because Factors 1, 2, 3, 4, and 6 weigh strongly against discretionary denial, and Factor 5 only slightly favors denial or is neutral.

A. Factor 1: The Trial Court Would Likely Grant Any Post-Institution Motion to Stay

Factor 1 weighs strongly against discretionary denial because the Eastern District of Texas regularly grants post-institution stays pending IPR under facts similar to those here.² That court has stated that the “near-uniform line of authority

² Even if PayGeo is correct that “there is insufficient evidence” that a stay would be granted, the Board considers Factor 1 neutral. DD Req. 6 (citation omitted).

reflects the principal point ... that after the PTAB has instituted review proceedings, ***the parallel district court litigation ordinarily should be stayed.***” *NFC Tech. LLC v. HTC Am., Inc.*, No. 2:13-CV-1058-WCB, 2015 WL 1069111, at *6-7 (E.D. Tex. Mar. 11, 2015) (emphasis added) (collecting cases). PayGeo’s arguments against a stay are misleading and do not support discretionary denial.

PayGeo’s argument that the district court would, in the absence of a stay, resolve infringement, invalidity, and damages is a truism and not relevant here. DD Req. 6-7. PayGeo’s speculation that the district court will be “trial ready” around the final written decision if no stay is granted is a red herring. *Id.* Factor 1 considers the likelihood that a stay would be granted, not whether the district court considers other issues (e.g., infringement, damages) that are not before the Board. A stay moots PayGeo’s argument. Furthermore, that argument relates to Factor 2, which weighs strongly against discretionary denial, as explained below.

Samsung filed a motion to stay pending the Board’s resolution of these IPRs. Ex. 1038. PayGeo argues that this ***pre-institution*** stay would likely be denied. DD Req. 6-7. But the Board’s precedential *Fintiv* decision explains that pre-institution denial “has usually weighed ***against exercising authority to deny institution***” when granted without prejudice. IPR2020-00019, Paper 11 at 6-7 (emphasis added) (denial of pre-institution stay without prejudice “has usually weighed against exercising authority to deny institution under *NHK*”).

Here, the district court would likely grant a *post-institution* stay. The Eastern District of Texas has granted post-institution stays under similar facts, even when some claims remaining in district court are not instituted. *See Image Processing Techs., LLC v. Samsung Elecs. Co.*, No. 2:16-CV-505-JRG, 2017 WL 7051628, at *1 (E.D. Tex. Oct. 25, 2017) (granting motion to stay when all but one asserted claim instituted by Board); *OnPoint Sys., LLC v. Protect Animals with Satellites, LLC*, No. 4:20-CV-657, 2022 WL 2704166, at *3-4 (E.D. Tex. July 12, 2022) (granting stay where not all asserted patents instituted in IPR). Contrary to PayGeo’s arguments, the Eastern District of Texas has recognized that, like here, when “one asserted claim is not currently under a simultaneous IPR review, there is a material possibility that the outcome of all IPR proceedings will streamline the scope and resolution of this case,” and granted a stay pending IPR. *Image Processing Techs.*, 2017 WL 7051628, at *1. The district court has also stayed cases when not all asserted patents are challenged because the Board resolving most patents will simplify the proceedings. *OnPoint Sys.*, 2022 WL 2704166, at *3-4.

PayGeo has asserted five patents and 43 claims against Samsung. Ex. 1031, 2. Samsung’s petitions challenge 42 (97%) of the asserted claims. The sole unchallenged claim, claim 24 of the ’671 Patent, is a means-plus-function claim, which would have a unique claim construction. PayGeo cannot credibly dispute that resolving 97% of the asserted claims and four patents in their entirety will

meaningfully simplify the district court litigation pending a stay.

Neither *Kirsch* nor *Maxell* supports PayGeo's arguments. DD Req. 7-8. In *Kirsch*, the court had previously stayed the case pending an ITC investigation that had been resolved; "found that the two [asserted] patents 'are not related, do not share a specification or prosecution history and claim different subject matter'"; and found that only one of the two patents was challenged at the Board. Ex. 2011, 1-2, 4. In *Maxell*, the Board denied institution for six of the ten asserted patents; only 40% of asserted claims were at issue at the Board; the litigation had completed claim construction, fact discovery, and expert discovery; and the petitioner was found to have unreasonably delayed filing its petitions. *Maxell Ltd. v. Apple, Inc.*, 2020 WL 10458088, at *1-3 (E.D. Tex. Nov. 17, 2020). None of those factors are present here. Here, all five asserted patents are challenged; all but one means-plus-function claim is challenged; and all five patents are related, thus promoting a stay and simplifying the case. PayGeo also acknowledges that, unlike *Maxell*, fact discovery here only recently opened and is in its early stages, claim construction will not have begun by institution, and expert discovery does not open until many months after the last possible institution date. *See infra* Section IV.C (Factor 3).

Force Mos Technology Co. v. ASUSTek Computer, Inc., No. 2:22-CV-00460-JRG, 2024 WL 1586266, at *4 (E.D. Tex. Apr. 11, 2024), also does not support PayGeo's position. DD Req. 8. *Force Mos* was a pre-institution decision and denied

on that basis. The court supported that decision because one of three total patents was not challenged in any IPR. 2024 WL 1586266, at *4. The court, contrary to PayGeo’s characterization, denied a stay because the Board’s outcome would not simplify “*to the extent necessary*” to justify a stay. *Id.* (emphasis added). The same court repeatedly recognizes that stays should and will be granted when less than all claims are challenged. *Image Processing Techs.*, 2017 WL 7051628, at *1; *OnPoint Sys.*, 2022 WL 2704166, at *3-4. The present IPRs would resolve more than 97% of the asserted claims and resolve issues with all five asserted patents, except a single means-plus-function claim. This is very different from *Force Mos* where one patent was not even challenged and would remain in the litigation in its entirety. Moreover, the Eastern District of Texas has noted that the Board’s guidance on a patent from IPR proceedings has the potential to aid it in post-stay proceedings. *See NFC*, 2015 WL 1069111, at *4-5. PayGeo’s statement that there is “no chance of simplifying the case” is therefore objectively false. DD Req. 9.³

PayGeo’s allegation that “motions to stay pending PTAB proceedings in the Eastern District of Texas have been granted only approximately a quarter of the time”

³ PayGeo’s arguments related to discovery (DD Req. 9) are discussed in Factor 3 where they are applicable. As PayGeo notes, there will have been limited investment at institution, which further highlights the likelihood of a stay.

is misleading because it includes pre-institution stays, which are regularly denied as premature. *Id.*, 10; Ex. 2006; Ex. 2007. PayGeo, therefore, artificially lowers the likelihood of a stay by including irrelevant pre-institution numbers. For *post-institution*, the district court has stated that “the parallel district court litigation *ordinarily should be stayed.*” *NFC*, 2015 WL 1069111, at *6-7 (emphasis added).

Thus, a stay is likely to be granted if the Board institutes these petitions.

B. Factor 2: The Final Written Decision Precedes the Current Trial Date, and the Trial Is Likely to Be Further Delayed, Which Weighs Strongly Against Discretionary Denial

Factor 2 weighs strongly against discretionary denial. PayGeo admits that the final written decision (April 6, 2027) precedes the scheduled trial date (April 19, 2027). *See* DD Req. 10-11; Ex. 2003, 1. This weighs against discretionary denial. *FreightCar Am., Inc. v. Nat’l Steel Car Ltd.*, IPR2025-01046, Paper 20 at 2 (Director Oct. 10, 2025); *Am. Airlines, Inc. v. Intell. Ventures I LLC*, IPR2025-00785, Paper 11 at 2-3 (Director Aug. 29, 2025).

The time-to-trial data confirms this. The median time-to-trial for civil cases in the Eastern District of Texas is 24.5 months, which would place trial around April 17, 2027 (i.e., 24.5 months after PayGeo’s April 2, 2025, Complaint filing)—after the latest possible final written decision. Ex. 1033, 35.

Judge Schroeder’s recent patent trials have been delayed, on average, by about 4.6 months, which would push the trial date to September 2027. Ex. 1034. Judge

Schroeder also has an average time from filing-to-trial of 25.8 months, which would result in a trial in late May 2027, also after the latest possible final written decision. *Id.* Thus, the trial date is likely to be further delayed, whereas the Board’s final written decision would only move sooner in time if the institution decision and final written decision are issued before their statutory deadlines.

PayGeo’s own argument that “the median time-to-trial in the [E.D. Tex.] for the past two years is 21 months” shows the error of its analysis. DD Req. 11. This means that the time-to-trial has lengthened by more than 10% in the past year alone, suggesting that time-to-trial is getting longer. *Id.* (citing Ex. 2009). PayGeo is wrong that “a trial might occur before the projected FWD due date.” *Id.* It did not identify any situation where Judge Schroeder moved a trial *earlier*, and there is no dispute that the trial is currently after the FWD date. Moreover, for *patent* cases in the E.D. Tex., the actual time-to-trial for the past two years is about 24.8 months, with an average delay of 3.3 months from the original trial date, again placing the trial between late April and July 2027—one to three months *after* the last possible final written decision date. *See* Ex. 1035.

C. Factor 3: Almost No Investment Has Occurred in the Parallel District Court Proceeding

Factor 3 weighs strongly against discretionary denial.

There has been almost no investment in the district court proceeding. PayGeo

overstates what little investment will take place by institution. For example, PayGeo's Motion to Strike a subset of affirmative defenses is less than 7 pages of briefing. Ex. 1036. Samsung's Motion on the Pleadings raises Section 101 issues, which cannot be presented in IPR. Ex. 1037. PayGeo admits that both motions remain pending; therefore, there is at most negligible court investment. DD Req. 11.

PayGeo's assertion that the court will have "invested significant time in managing these exchanges" is incorrect. *Id.*, 12. All of the identified discovery—contentions, document productions, source code review—is handled between the parties alone, without court involvement, unless there is a dispute. PayGeo has not identified any such dispute; therefore, no Court involvement has occurred and none is expected.

The lack of party and court investment is confirmed by the procedural schedule. Claim construction will not begin until June 2026 and will not complete until October 2026, two months and six months after the latest institution decision date, respectively. Ex. 2003, 5-6. Fact discovery will not close until November 2026, expert reports will be exchanged between November 2026 and January 2027, and dispositive motions are not due until January 2027. *See id.* 4-5. The Board has regularly found that such timelines weigh against discretionary denial. *SAP Am., Inc. v. Cyandia, Inc.*, IPR2024-01433, Paper 13 at 10-11 (Apr. 7, 2025).

The early stage and lack of investment by either party or the court weighs

strongly against discretionary denial.

D. Factor 4: There Is No Overlap Between Proceedings, and Samsung’s Broad Stipulation Eliminates Any and All Potential Overlap

PayGeo incorrectly asserts that “the same or substantially the same claims, grounds, arguments, and evidence” are at issue here and in the district court proceeding. DD Req. 12-13 (citation omitted). Samsung’s stipulations (which are broader than *Sotera*) will, upon institution, eliminate even speculative overlap between proceedings by excluding the specific grounds asserted in this IPR and any ground that was raised or reasonably could have been raised in this IPR (i.e., a *Sotera* stipulation), **and additionally** “[a]ny grounds that include any reference named in IPR2025-01552’s petition’s grounds (i.e., *Lin* (Ex. 1005), *Rackley* (Ex. 1006), and *Tumminaro* (Ex. 1007)).” Paper 7. The Director has declined to discretionarily deny under similar stipulations. *See Tesla, Inc. v. Intell. Ventures II LLC*, IPR2025-00217, Paper 9 at 2 (Director June 13, 2025); *Samsung*, IPR2025-00933, Paper 11 at 3. This stipulation renders nearly all of PayGeo’s arguments under Factor 4 incorrect because it is impossible to have any overlap in asserted grounds or arguments.

PayGeo argues, contrary to the facts, that “Samsung’s stipulation ... merely creates the appearance of narrowing overlap.” DD Req. 13. PayGeo admits, however, that any invalidity arguments under B1-B3 in Samsung’s contentions are entirely eliminated. *Id.*, 13-14. PayGeo falsely suggests that B4-B7 are only minimally

affected by the loss of *Lin*, *Rackley*, and *Tumminaro*. *Id.* But charts B4 and B5 (Taveau and Pharris) rely solely on patents or printed publications and would be entirely eliminated by Samsung’s stipulation upon institution—a fact that PayGeo omits. Ex. 1032, 37. Regarding the two system art charts, B6 and B7, in Samsung’s contentions, PayGeo admits that none of *Lin*, *Rackley*, and *Tumminaro* can be used in any combinations, further reducing the grounds and narrowing the disputes. DD Req. 13-14. Thus, 71% of the invalidity bases (B1-B5) are eliminated entirely and the remaining two bases (B6-B7) have many of the secondary references removed.

PayGeo falsely asserts that “Samsung’s stipulation seeks to exploit the loophole recognized by the Federal Circuit, without meaningfully narrowing its invalidity grounds.” DD Req. 14. There is no “loophole”; there is Congress’s determination of what may remain after an IPR final written decision. Moreover, what PayGeo calls a “loophole”—relying on IPR art in combination with system prior art—is not possible here because it is entirely eliminated by Samsung’s stipulation, which even PayGeo admits. *Id.*, 13-14. PayGeo’s misstatements do not change the actual facts—Samsung’s stipulation eliminates *all overlap* and numerous other grounds from the district court action, which the Director has found weighs strongly against discretionary denial.

E. Factor 5: The Parties Are the Same

Recent decisions have indicated this is neutral or only slightly favors denial.

Innolux Corp. v. Phenix Longhorn, IPR2025-00043, Paper 10 at 13 (May 15, 2025).

F. Factor 6: Strong Merits Show the Office Erred by Overlooking the Conventionality of the Alleged Point of Novelty

PayGeo does not argue Factor 6 except to refer back to Factors 1 and 3, which weigh strongly against discretionary denial. DD Req. 15.

1. The Petition’s Strong Merits Weigh Against Discretionary Denial

PayGeo does not dispute the merits of the Petition or the Petition’s showing that the claims are unpatentable based on the grounds of the Petition. *See generally* DD Req. A patent owner’s failure to dispute the merits of a petition weighs against denial.⁴ *E.g.*, *Samsung Elecs. Co. v. SiOnyx, LLC*, IPR2024-01431, Paper 21 at 17 (Apr. 10, 2025) (granting institution when “Patent Owner provides very little argument, on the merits ...”).

V. CONCLUSION

Samsung respectfully requests that the Director decline to exercise discretion to deny institution and requests merits consideration and institution of this Petition.

⁴ If PayGeo argues that it should be permitted to dispute the merits in a Pre-Institution Reply, such request should be denied. PayGeo had ample space remaining (5 pages) in its DD Request to raise any perceived weaknesses.

Respectfully submitted,

Dated: January 6, 2026

By: / Joshua L. Goldberg /
Joshua L. Goldberg, Lead Counsel
Reg. No. 59,369

CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing **Petitioners' Opposition to Patent Owner's Request for Discretionary Denial of Institution** was served on January 6, 2026, via email directed to counsel of record for the Patent Owner at the following:

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Patent Owner has consented to electronic service by email.

Dated: January 6, 2026

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