

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., LTD.,

Petitioner,

v.

CARDWARE INC.,

Patent Owner.

Case No. IPR2023-00219

U.S. Patent No. 11,176,538

PATENT OWNER'S PRELIMINARY SUR-REPLY

The only new fact that allegedly supports Petitioner is Petitioner's proffer of an updated stipulation.¹ Even with this new stipulation, however, discretionary denial is still warranted.

As a threshold matter, Petitioner's new stipulation does not have any meaningful impact. While Petitioner asserts that its new stipulation mitigates concerns of duplicative efforts (Reply, 2-3), in actual fact, it does no such thing. Petitioner has only stipulated not to pursue in district court the *same* grounds or the *specific* references in those grounds. *Id.*, 1; Ex. 1110. Critically, this leaves Petitioner free to pursue related references that have the same (or substantially the same) disclosure but are not part of the grounds. In other words, Petitioner is still free to pursue the *very same* arguments in district court under the guise of a technically different (but substantively the same) reference. For example, under the new stipulation, Petitioner remains free to rely upon continuations and foreign counterparts, among other related references.² Petitioner is also free to pursue

¹ Petitioner concedes that the median time-to-trial in district court has decreased (Paper 7 ("Reply"), 1), which further favors denial.

² A public search reveals numerous such related references including for, *e.g.*, Royyuru (Ex. 1004), Casey (Ex. 1006), Carlson (Ex. 1013), and Rans (Ex. 1014).

substantively identical arguments using other references or references that Petitioner relies upon in the Petition but did not specifically include its grounds.³ Such potential duplication is especially problematic here, because the trial date will occur several months *before* any final written decision, meaning that statutory estoppel will not yet apply.

In short: Petitioner's stipulation has no practical effect, and because Petitioner has again refused to offer a *Sotera* stipulation, Factor 4 continues to favor discretionary denial.

Accordingly, for the reasons above and in Patent Owner's Preliminary Response, Factors 2-6 favor denial and Factor 1 is neutral. And, even if the Board finds that Petitioner's new stipulation tips Factor 4 against discretionary denial, Petitioner respectfully submits that it has no impact on the outcome. This case would then mirror *Ericsson Inc. v. Collision Commc'ns, Inc.*—relied upon by Patent Owner

And, for each patent application publication, Petitioner would technically be free to use the corresponding issued patent (and vice versa).

³ Petitioner relies upon numerous references in its Petition that are not part of its specific grounds. Petitioner's stipulation apparently does not cover such additional references, further demonstrating the continued substantial overlap and potential for duplicative efforts.

in its Preliminary Response but not addressed by Petitioner’s Reply—where the Board denied institution under analogous facts. IPR2022-01233, Paper 12, 18 (P.T.A.B. Jan. 19, 2023) (denying institution where, like here, “only factor 4 weighs against discretionary denial, factor 1 is neutral, and factors 2, 3, 5, and 6 weigh in favor discretionary denial”).

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing Patent Owner Preliminary Sur-Reply was served on April 25, 2023, via electronic mail upon counsel of record for Petitioner at the following email addresses:

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