

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. IPR2023-00314
Patent No. 10,628,820

CARDWARE'S PATENT OWNER SUR-REPLY TO PETITIONER'S 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 is still warranted.

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 (or those “references that have the same (or substantially the same) disclosure but are not part of the grounds in the Petition”). *Id.*, 1; Exs. 1110, 1111. Critically, this leaves Petitioner free to pursue the *very same* arguments in district court under the guise of technically different references or combinations.

¹ Petitioner concedes that the median time-to-trial has decreased (Reply, 1), which further favors denial. Notably, Petitioner has changed course: Petitioner now asserts that the actual trial date should be used, (*id.*, 2), when it previously relied exclusively on median time-to-trial statistics, (Pet., 71-72). Both the actual trial date and time-to-trial statistics demonstrate trial will occur several months before any final written decision, (*see* Ex. 1109, 35; Ex. 2001, 1; Ex. 2002, 1) and thus weigh heavily in favor of denial. *See, e.g., Roku, Inc. v. IOENGINE, LLC*, IPR2022-01553, Paper 11, 12-13 (PTAB May 5, 2023); *Samsung Elecs. Co., Ltd. v. Cal. Institute of Tech.*, IPR2023-00137, Paper 10, 11-12 (PTAB May 4, 2023).

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.

Thus, 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 set forth 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, Patent Owner respectfully submits that it has no impact on the outcome, as the situation here is then, at worst, analogous to prior Board decisions denying institution. *See, e.g., Roku*, IPR2022-01553, Paper 11, 17 (denying institution where "only factor 4 weighs against discretionary denial, and factors 2 and 3 weigh heavily in favor. Moreover, Roku has not submitted a *Sotera*-type stipulation that would make discretionary denial inappropriate under the *Fintiv* Memo, and likewise, the Petition does not show compelling evidence of unpatentability under factor 6");²

² In *Roku*, similar to here, trial was set to occur approximately six months before a final written decision and the parties had engaged in contentions, significant discovery and claim construction. *See Roku*, IPR2022-01553, Paper 11, 10-12.

Samsung, IPR2023-00137, Paper 10, 15 (denying institution where “factors 1-3 and 5 weigh in favor of exercising our discretion to deny institution and factor 4 weighs somewhat against exercising our discretion to deny institution. Considering these factors as a whole, we determine that these factors weigh in favor of exercising our discretion to deny institution.”); *Ericsson Inc. v. Collision Commc’ns, Inc.*, IPR2022-01233, Paper 12, 18 (PTAB Jan. 19, 2023) (denying institution where “only factor 4 weighs against discretionary denial, factor 1 is neutral, and factors 2, 3, 5, and 6 weigh in favor discretionary denial”).

Dated: May 25, 2023

Respectfully submitted,

REICHMAN JORGENSEN LEHMAN
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/s/ Patrick Colsher

Patrick Colsher (Reg. No. 74,955)

CERTIFICATE OF SERVICE

I hereby certify that the foregoing was served on May 25, 2023, via electronic mail upon counsel of record for Petitioner at the following email addresses:

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