

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., LTD.

Petitioner,

v.

ADVANCED CODING TECHNOLOGIES, LLC

Patent Owner.

Patent No. 9,445,041

Filing Date: December 26, 2013

Issue Date: September 13, 2016

Inventor: Akiyoshi Jin

Title: MOVING IMAGE DATA PROCESSING APPARATUS AND MOVING
IMAGE DATA PROCESSING METHOD

PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW

Case No. IPR2023-00910

TABLE OF CONTENTS

	<u>Page(s)</u>
I. INTRODUCTION	1
II. BACKGROUND	1
III. LEGAL STANDARD	3
IV. DISCUSSION	3
V. CONCLUSION.....	6

TABLE OF AUTHORITIES

	Page(s)
Cases	
<i>Axonics, Inc. v. Medtronic, Inc.</i> , 75 F.4th 1374 (Fed. Cir. 2023)	4
<i>Bilstad v. Wakalopoulos</i> , 386 F.3d 1116 (Fed. Cir. 2004).....	3
<i>Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.</i> , 821 F.3d 1359 (Fed. Cir. 2016).....	3
<i>Realtime Data, LLC v. Iancu</i> , 912 F.3d 1368 (Fed. Cir. 2019).....	2
<i>United States v. Arthrex, Inc.</i> , 141 S. Ct. 1970 (2021).....	3
<i>Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.</i> , 200 F.3d 795 (Fed. Cir. 1999).....	2
Statutes	
35 U.S.C. § 112.....	2
Other Authorities	
USPTO, Revised Interim Director Review Process at 2.B, Availability of Director Review: AIA Trial Proceedings.....	3
Patent Trial and Appeal Board Consolidated Trial Practice Guide, November 2019.....	4

EXHIBIT LIST

Exhibit No.	Description of Document
2001	U.S. Patent Application Publication No. 2010/0310229 (“Iwata”)
2002	Defendants’ Joint Patent L.R. 3-3 Invalidity Contentions and Subject Matter Ineligibility Contentions in <i>Advanced Coding Technologies LLC v. Samsung Electronics Co., Ltd. and Samsung Electronics America, Inc.</i> , No. 2:22-cv-00499-JRG, served August 8, 2023
2003	Declaration of Dr. Hari Kalva (“Kalva Decl.”), dated July 5, 2023 and Exhibit A, Curriculum Vitae of Hari Kalva, Ph.D. in <i>TikTok Inc. v. Advanced Coding Technologies LLC</i> , Case No. IPR2022-01548
2004	Transcript of the Deposition of David Lett, taken in <i>TikTok Inc. v. Advanced Coding Technologies, LLC</i> , Case No. IPR2022-01548 on June 16, 2023. (“Lett Depo.”)

I. INTRODUCTION

On December 12, 2023, the Board granted institution of *inter partes* review of Claims 1-6 of U.S. Patent No. 9,445,041. *See* Ex. 1001 (“the ’041 Patent”); *see also* Paper No. 8 (“Decision” or “Dec.”).

The Board abused its discretion because it failed to consider Patent Owner’s nearly 30 pages of claim construction arguments in determining whether to institute the Petition. The Board’s decision is unreasonable and arbitrary because the Board is required to give weight and consider Patent Owner’s claim construction arguments and supporting expert declaration where the claim constructions are dispositive of whether to institute the Petition.

Patent Owner, therefore, respectfully requests Director Review.

II. BACKGROUND

The Previous IPR. On September 16, 2022, TikTok Inc. filed IPR2022-01548, seeking cancellation of the claims of U.S. Patent No. 9,445,041. Patent Owner filed a Preliminary Response, which stated that claim construction was not required to resolve any issues. The Board instituted that proceeding, and on September 22, 2023, it was terminated due to settlement.

This Action. On May 12, 2023, Petitioner Samsung filed the Petition in this action. Patent Owner’s Preliminary Response in this action was substantially different than the Preliminary Response in the IPR2022-01548 action, this time

containing nearly 30 pages of claim construction arguments along with an expert declaration. Paper 7, at 1-29.

The Claim Construction Positions. The claim construction issues raised in this action are dispositive. Patent Owner proposed construction of six terms, five of which it contends are subject to 35 U.S.C. § 112 ¶ 6. *Id.* The Preliminary Response explains in detail how the cited prior art does not meet the claims as properly construed.

Petitioner did not seek leave to file a pre-institution reply regarding claim construction issues and, therefore, the proposed claim constructions are currently un rebutted.

The Institution Decision. The Board instituted this proceeding, noting that no construction is necessary at this stage. Dec. at 7 (“At this stage, we determine it is not necessary to construe any terms expressly for the purposes of this Decision.”) (citing *Realtime Data, LLC v. Iancu*, 912 F.3d 1368, 1375 (Fed. Cir. 2019) (“The Board is required to construe ‘only those terms . . . that are in controversy, and only to the extent necessary to resolve the controversy.’” (quoting *Vivid Techs., Inc. v. Am. Sci. & Eng’g, Inc.*, 200 F.3d 795, 803 (Fed. Cir. 1999))). Yet two sentences later, the Board states that “[t]he parties are encouraged to further address claim construction in future briefing.” *Id.* at 8. Respectfully, it appears that the Board

failed to consider the claim construction arguments and expert testimony already presented.

III. LEGAL STANDARD

The Director “may review final PTAB decisions and . . . issue decisions . . . on behalf of the Board.” *United States v. Arthrex, Inc.*, 141 S. Ct. 1970, 1987 (2021). “Requests for Director Review of the Board’s decision whether to institute an AIA trial . . . shall be limited to decisions presenting (a) an abuse of discretion or (b) important issues of law or policy.” See USPTO, Revised Interim Director Review Process at 2.B, Availability of Director Review: AIA Trial Proceedings (last modified July 25, 2023), <https://www.uspto.gov/patents/ptab/decisions/revised-interim-director-review-process>. “An abuse of discretion is found if [a] decision: (1) is clearly unreasonable, arbitrary, or fanciful; (2) is based on an erroneous conclusion of law; (3) rests on clearly erroneous fact finding; or (4) involves a record that contains no evidence on which the Board could rationally base its decision.” *Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1367 (Fed. Cir. 2016) (quoting *Bilstad v. Wakalopulos*, 386 F.3d 1116, 1121 (Fed. Cir. 2004) (citations omitted)).

IV. DISCUSSION

Patent Owner respectfully requests that this proceeding be remanded to the Board for consideration of the claim constructions presented at the pre-institution

phase. Patent Owner presented claim construction arguments concerning means-plus-function claim terms that are dispositive of the Petition, but the Board failed to consider them. Rather, the Board erroneously stated that claim construction was unnecessary for the purposes of institution.

The Federal Circuit has made clear that “[a] patent owner has the opportunity in a preliminary response to oppose institution on the ground that the claim construction relied on by the petitioner is incorrect, and the Board may adopt the patent owner’s proposed claim construction and deny institution if the petition fails to demonstrate a reasonable likelihood that a claim would be unpatentable under the correct claim construction.” *Axonics, Inc. v. Medtronic, Inc.*, 75 F.4th 1374, 1384 (Fed. Cir. 2023) (citing 35 U.S.C. § 314(a)). According to the Trial Practice Guide:

The petitioner and patent owner have opportunities, during the preliminary stage, to submit their proposed claim constructions (in a petition and preliminary response, respectively) and any supporting evidence, including both intrinsic and extrinsic evidence. *Upon consideration of the parties’ proposed claim constructions and supporting evidence, the Board will provide an initial claim construction determination in the institution decision, to the extent that such construction is required to resolve the disputes raised by the parties.*

at 49 (emphasis added).

As one example, Patent Owner proposed constructions for two terms regarding the variability of the output frame rate: (1) “an output frame rate specification unit configured to specify output frame rate of the first moving image data and output frame rate of the second moving image data that have been input into the moving image data input unit”; and (2) “specify[ing] [the] output frame rate.” *See* Paper No. 7, at 2-3. Neither of these claim constructions are discussed in the Board’s decision outside of a passing reference to Patent Owner’s construction of this term requiring a “variable output frame rate.” Dec. at 13.

Specifically, for this claim limitation, Patent Owner proposed a means-plus-function construction for “an output frame rate specification unit . . .” as *a software algorithm* which performs *two steps* and specifies *two variable output frame rates*, one for each of the first and second moving image data. Paper No. 7, at 2-3 (emphasis added). This construction is dispositive at least because the Petition does not identify an algorithm in the cited references that meets this proposed construction. Nevertheless, the Board failed to consider this construction and whether the Petition is deficient for failing to identify where in the references the required algorithm is found.

The Board abused its discretion by failing to consider Patent Owner's claim construction arguments in determining whether institution is appropriate. Director Review is necessary to remedy this error.

V. CONCLUSION

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

Respectfully submitted,

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CERTIFICATE OF SERVICE

In accordance with 37 C.F.R. §§42.6(e) and 42.105, the undersigned certifies that on December 26, 2023, a complete and entire copy of the foregoing was served on Petitioner's counsel of record as follows:

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