

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

v.

SLYDE ANALYTICS, LLC,
Patent Owner.

IPR2024-00006
Patent 8,588,033 B2

Before JAMESON LEE, ST. JOHN COURTENAY, III, and
JOHN F. HORVATH, *Administrative Patent Judges*.

COURTENAY, *Administrative Patent Judge*.

DECISION
Granting Institution of *Inter Partes* Review
35 U.S.C. § 314

Samsung Electronics Co., Ltd. and Samsung Electronics America, Inc. (collectively, “Petitioner”) filed a Petition (Paper 3, “Pet.”) requesting an *inter partes* review of claims 1–19 (“the challenged claims”) of U.S. Patent No. 8,588,033 B2 (Ex. 1001, “the ’033 patent”). Slyde Analytics, LLC (“Patent Owner”) filed a Preliminary Response. Paper 7 (“Prelim. Resp.”).

A conference call was held on February 20, 2024, between respective counsel for the parties and Judges Lee, Courtenay, and Horvath, in response to Petitioner’s email of February 8, 2024 (Ex. 3001). During the call, Petitioner stated: “[I]f the Board would prefer Petitioner to address [the *Fintiv*¹] issue in a paper,” Petitioner requests authorization to address Patent Owner’s arguments for discretionary denial under Section 314(a) in IPR2024-00006, IPR2024-00040, IPR2024-00041. Ex. 3001. Petitioner’s request to file a preliminary reply limited to three pages and due by February 27, 2024, was granted in an ORDER mailed by the Board on Feb. 20, 2024. Paper 9, 3. In the same ORDER, the Board authorized Patent Owner to file a preliminary sur-reply, limited to three pages and due by March 1, 2024. *Id.* Petitioner’s Preliminary Reply (Paper 10) and Patent Owner’s Preliminary Sur-Reply (Paper 11) have been considered by the Board. We address discretionary denial under Section 314(a) and Petitioner’s *Sotera* stipulation, as set forth in Petitioner’s Preliminary Reply, *infra*.

We have authority to determine whether to institute an *inter partes* review. *See* 35 U.S.C. § 314 (2018); 37 C.F.R. § 42.4(a) (2022). Under 35 U.S.C. § 314(a), we may not authorize an *inter partes* review unless the

¹ *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, at *6 (PTAB Mar. 20, 2020) (precedential).

information in the petition and the preliminary response “shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.”

Upon consideration of the Petition, the Preliminary Response, and the evidence of record, for the reasons given below we determine the information presented in the Petition demonstrates there is a reasonable likelihood that Petitioner would prevail in establishing the unpatentability of at least one challenged claim of the '033 patent.

Accordingly, we institute an *inter partes* review of claims 1–19 of the '033 patent on the six asserted grounds of unpatentability set forth in the Petition.

I. INTRODUCTION

A. *Real Parties in Interest*

Petitioner identifies Samsung Electronics Co., Ltd. and Samsung Electronics America, Inc. as the real parties in interest. Pet. 1. Patent Owner identifies itself, Slyde Analytics, LLC, as the real party in interest. Paper 5, 2.

B. *Related Matters*

The parties identify the following related district court litigation: *Slyde Analytics LLC v. Samsung Electronics Co., Ltd., et al.*, Case No. 2-23-cv-00083 (E.D. Tex.); *Slyde Analytics LLC v. Zepp Health Corp.*, Case No. 2-23-cv-00172 (E.D. Tex.). Pet. 1; Paper 5, 2.

C. *The '033 patent*

The '033 patent is entitled “Wristwatch with Electronic Display,” and pertains to a watch with a high-resolution display. Ex. 1001, code (54),

1:15–17. The patent seeks to combine “the advantages of watches with mechanical movements with those of electronic watches.” *Id.* at 2:30–32.

Figure 4, reproduced below, is an example of a watch according to one embodiment.

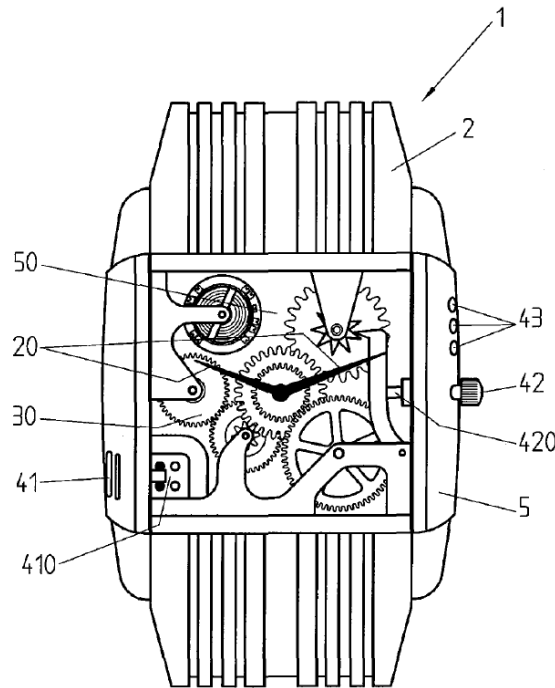


Figure 4 shows wristwatch 1, bracelet 2, watchcase 5, push-buttons 41, and crown 42. *Id.* at 6:43–52. Figure 4 also shows hours and minutes hands 20, and a “simulated skeleton movement comprising notably wheelworks 30.” *Id.* at 7:46–52. The “movement represented is a real simulation of a mechanical movement.” *Id.* at 8:28–29. The “time displayed by the simulated and displayed mechanical movement is thus synchronized with the quartz [oscillator 11] time, either automatically at regular intervals or when the difference exceeds a threshold or manually by the user interacting on one of the push-buttons 41.” *Id.* at 8:42–49.

D. Illustrative Claim

Petitioner challenges claims 1–19 of the '033 patent. Pet. 1. Of the challenged claims, claims 1, 16, and 17 are independent.

Claim 1, reproduced below, is illustrative of the challenged claims, and recites the following (bracketing and identifiers added):

1[Pre] Wristwatch comprising:
1[a] a watchcase;
1[b] an electronic display in said watchcase;
1[c] a quartz oscillator,
1[d] a microcontroller being arranged for reproducing on said electronic display the simulation of a mechanical watch movement comprising a gear train, said simulation being visible so as to indicate the time, said microcontroller being further arranged for synchronizing the displayed time by said displayed mechanical movement with that of said quartz oscillator.

Ex. 1001, 10:19–29; Pet. 25–30.

E. Declaration

Petitioner filed a Declaration of Professor Benjamin B. Bederson, Ph.D. (hereinafter “Dr. Bederson”) (Ex. 1002).

F. Prior Art

Petitioner submits the following asserted references as evidence:

Prior Art	Exhibit No.
Mooring, US 2009-0196124 A1 (published Aug. 6, 2009)	1005
Sugihara, Satoshi JP 2005/242456 A (published Sept. 8, 2005)	1006 ²
Lee, US 2008-0186808 A1 (published Aug. 7, 2008)	1008
Louch, US 2008/0168368 A1 (published July 10, 2008)	1009
Inoue, US 2008/0151700 A1 (published June 26, 2008)	1010

² Ex. 1007, the certified English translation of Exhibit 1006, is hereinafter relied upon and referred to as “Satoshi.”

Prior Art	Exhibit No.
Ruchonnet, US 2005/0122844 A1 (published June 9, 2005)	1011
Tam, et al., “Physical-Based Simulations of Mechanical Watches and Clocks,” Proceedings of ASME Int’l Mech. Engr. Congress and Exposition, Nov. 11–15, 2007.	1012

a. Summary of Mooring (Ex. 1005)

Mooring is titled “Modular Movement that is Fully Functional Standalone and Interchangeable in Other Portable Devices.” Ex. 1005, code (54).

Mooring notes that “conventional watches have not been designed so that consumers can readily change the movement of a watch.” *Id.* ¶ 24. Mooring discloses a method of manufacturing a watch “that enables consumers to change the movement of a portable device, such as a watch” without the need for tools or watch disassembly. *Id.* ¶ 26. Figure 1B, reproduced below, illustrates a “portable device 10 having a modular movement.” *Id.* ¶ 27.

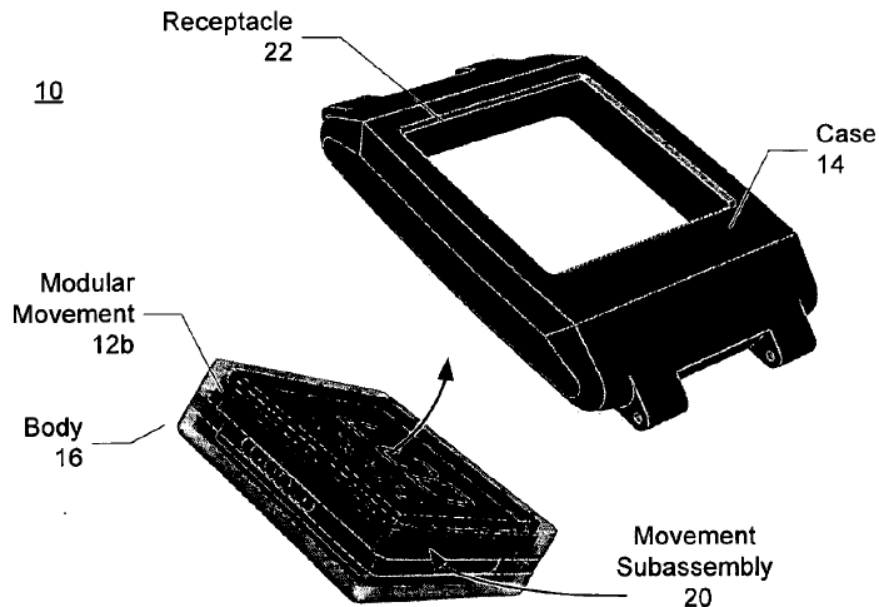


Figure 1B shows device 10, with modular movement 12b, body 16, and subassembly 20, where modular movement 12b “can be removably inserted within a case 14.” *Id.* Mooring discloses that “modular movement 12 includes a body 16 that houses a plurality of layers, including an integrated top layer of glass 18, and a movement subassembly 20, for displaying information, including time.” *Id.* ¶ 28. In Figure 1B, body 16 is semitransparent, so subassembly 20 can be seen through the case. *Id.* Receptacle 22 is an opening in the back of case 14, where modular movement 12b is inserted into case 14 from the back. *Id.* ¶ 35.

Mooring also discloses modular movement 12b can be implemented as computer 600 on PCB 504, including a clock that is an internal timing device for the computer. *Id.* ¶¶ 55–65, Fig. 6. The clock may utilize a quartz crystal oscillator. *Id.*

b. Summary of Satoshi (Ex. 1007)

Satoshi, a certified translation to English of a Japanese published patent application, is titled “Rotating Body Image Display Device and Rotating Body Image Display Program.” Ex. 1007, code (54). Satoshi discloses a “program for displaying an animation of synchronously rotating gears on a mobile phone.” *Id.*, code (57). Satoshi “can also display watch hands that rotate corresponding to the rotation of each gear which, by a user successfully arranging gears in combination, enables the rotation of an hour hand, minute hand, and second hand in hour, minute, and second units respectively, as well a display such as of a so-called skeleton clock.” *Id.* ¶ 4. Satoshi is concerned with creating the animation “where arithmetic processing capability is limited.” *Id.* ¶ 9.

c. Summary of Lee

Lee is titled “Electronic Device with a Touchscreen Displaying an Analog Clock.” Ex. 1008, code (54). Lee relates to “a method for adjusting an analog clock displayed on a touchscreen display of an electronic device.” *Id.* ¶ 2. The method involves user contact with predetermined areas of the touchscreen display to make adjustments. *Id.* ¶ 45. A user may slide a finger or stylus across the screen to set the time or set an alarm. *Id.* ¶ 46–47.

d. Summary of Louch

Louch, titled “Dashboards, Widgets and Devices,” relates to “graphical user interfaces.” Ex. 1009, code (54), ¶ 5. Louch describes that:

A dashboard is an environment or layer where information and utilities can be displayed. The information and utilities can be embodied in "widgets." Multiple widgets can exist in a dashboard at any given time. In some implementations, users can control what widgets are visible and can freely move the widgets in the dashboard. In some implementations, widgets can be displayed and hidden along with the dashboard and can share the dashboard.

Id. ¶ 34. Louch describes that organizing widgets and dashboards may include “a process whereby dashboards and/or widgets are scrolled across the display area 502 of the device 504 using a finger or stylus.” *Id.* ¶ 79. The “user can scroll (horizontally or vertically) through dashboards or widgets across the display area 502 by touching the widgets and making the appropriate finger gestures in horizontal or vertical directions. When a desired dashboard/widget is found, the user can click or touch the dashboard/widget to invoke the widget.” *Id.* ¶ 80.

Figure 1F, reproduced below, shows a “wearable item,” such as a “digital watch.”

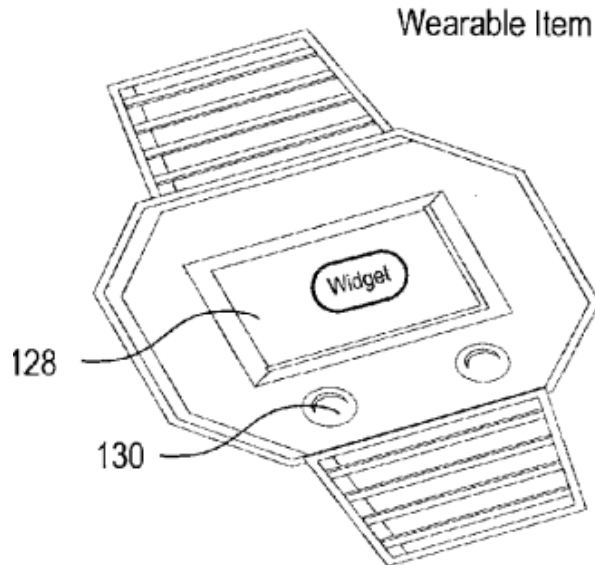


Figure 1F shows a digital watch with a widget visible on a display area 128, with pushbuttons 130. *Id.* ¶ 49.

e. Summary of Inoue

Inoue is entitled “Dial Indicator Display Device.” Ex. 1010, code (54). Inoue relates to “a dial indicator display device that is used, for example, in timepieces for indicating the time and in meters for indicating a measured value.” *Id.* ¶ 3. Inoue describes that these types of devices include “one or more hands and a dial bearing the graduations of the scale located behind the hand (like the dial of a clock).” *Id.* ¶ 5. Inoue is concerned with the readability of the device. *Id.* ¶¶ 10–12.

Inoue’s device does not include a traditional “dial” behind the hands but instead uses a display panel which displays the device’s scale. *Id.* ¶ 117. Figure 1, reproduced below, is a front view of Inoue’s combination timepiece.

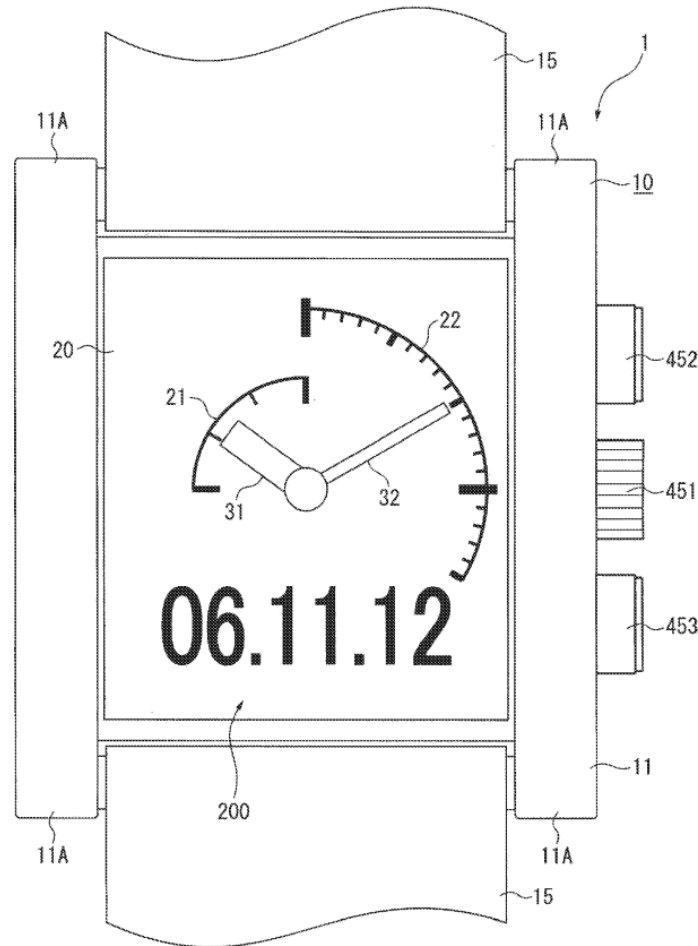


Figure 1, showing timepiece 1, with body 10/11, wristband 15, display panel 20, hour hand 31, minute hand 32, scales 21 and 22, crown 451, and buttons 452 and 453. *Id.* ¶¶ 112, 114, 115, 120, 126. “The displayed information can be adjusted using the crown 451 or buttons 452 and 453.” *Id.* ¶ 159.

f. Summary of Tam

Tam, titled “Physical-Based Simulations of Mechanical Watches and Clocks,” is an article published in the proceedings of a conference of the American Society of Mechanical Engineers. Ex. 1012, 1. Tam presents “a physical-based simulation model for the Graham Escapement (the oldest and the most common escapement for clocks), and a model for the Swiss Lever Escapement (the most popular escapement for mechanical watches).” *Id.*

g. Summary of Ruchonnet

Ruchonnet, titled “Clockwork Movement for a Wristwatch,” relates to “a clockwork movement designed to be integrated in a wristwatch case and comprising at least one belt for transmitting the movements and/or the couples between at least two pulleys (i.e. between a driving pulley and at least one driven pulley).” Ex. 1011, code (54), ¶ 15. Ruchonnet describes that a “reaction of surprise” is achieved, particularly “if the belts are visible through the watch’s back cover or through the dial.” *Id.* ¶ 16.

G. The Asserted Grounds of Unpatentability

Petitioner challenges claims 1–19 of the ’033 patent based upon the following grounds:

Claim(s) Challenged	35 U.S.C. §	Reference(s)
1, 11–14	103(a) ³	Mooring, Satoshi
2, 3, 17, 19	103(a)	Mooring, Satoshi, Lee
13–16	103(a)	Mooring, Satoshi, Louch
4, 5	103(a)	Mooring, Satoshi, Inoue, Tam
6–10, 13	103(a)	Mooring, Satoshi, Tam, Ruchonnet
18	103(a)	Mooring, Satoshi, Lee, Tam, Inoue, Ruchonnet

Pet. 3–4. Patent Owner disputes Petitioner’s asserted grounds of unpatentability. *See generally* Prelim. Resp.

³ The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), amended 35 U.S.C. §§ 102, 103, and was effective on March 16, 2013. The ’033 patent claims the benefit of filing dates prior to the effective date of the applicable AIA amendments. *See* Ex. 1001, (codes 30, 63). Therefore, we refer to the pre-AIA versions of 35 U.S.C. §§ 102, 103.

II. LEVEL OF ORDINARY SKILL IN THE ART

We consider the asserted grounds of unpatentability in view of the understanding of a person of ordinary skill in the art (POSITA). In assessing the level of ordinary skill in the art, various factors may be considered, including the “type of problems encountered in the art; prior art solutions to those problems; rapidity with which innovations are made; sophistication of the technology; and educational level of active workers in the field.” *In re GPAC Inc.*, 57 F.3d 1573, 1579 (Fed. Cir. 1995) (quoting *Custom Accessories, Inc. v. Jeffrey-Allan Indus., Inc.*, 807 F.2d 955, 962 (Fed. Cir. 1986)). “[O]ne or more factors may predominate.” *Id.*

Relying upon the declaration testimony of Dr. Bederson, Petitioner contends that an ordinarily skilled artisan for the ’033 patent “would have had a bachelor’s degree in electrical engineering, computer science, computer engineering, or a related field, and 2-3 years of experience in the research, design, development, or testing of touchscreen applications and graphical user interfaces for mobile devices, with additional education substituting for experience and vice versa.” Pet. 7 (citing Ex. 1002 ¶¶ 35–38). At this stage, Patent Owner “utilizes Petitioner’s proposed level of skill in the art.” Prelim. Resp. 10.

For purposes of this Decision, we adopt Petitioner’s definition of the level of ordinary skill in the art. On the present record, we are satisfied that this definition comports with the level of skill necessary to understand and implement the teachings of the ’033 patent and the asserted prior art. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) (explaining that the prior art itself can reflect appropriate level of ordinary skill in art).

III. CLAIM CONSTRUCTION

In interpreting the claims of the '033 patent, we “us[e] the same claim construction standard that would be used to construe the claim[s] in a civil action under 35 U.S.C. [§] 282(b).” *See* 37 C.F.R. § 42.100(b) (2023). Accordingly, our claim construction standard is the same as that of a district court. *See id.* Under the standard applied by district courts, claim terms are generally given their plain and ordinary meaning, as would have been understood by a person of ordinary skill in the art at the time of the invention and in the context of the entire patent disclosure. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1313 (Fed. Cir. 2005) (en banc). “There are only two exceptions to this general rule: (1) when a patentee sets out a definition and acts as his own lexicographer, or (2) when the patentee disavows the full scope of a claim term either in the specification or during prosecution.” *Thorner v. Sony Comput. Entm’t Am. LLC*, 669 F.3d 1362, 1365 (Fed. Cir. 2012).

Petitioner proposes construction of two terms, one recited in dependent claim 10, and one recited in dependent claim 12. Pet. 8–10. Patent Owner “believes that claim construction is not required to resolve any issues.” Prelim. Resp. 10.

For purposes of this Decision, we determine that no aspects of the challenged claims require explicit construction. *See, e.g., 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))).

IV. PRINCIPLES OF LAW

“In an [*inter partes* review], the petitioner has the burden from the onset to show with particularity why the patent it challenges is unpatentable.” *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1363 (Fed. Cir. 2016) (citing 35 U.S.C. § 312(a)(3) (requiring *inter partes* review petitions to identify “with particularity . . . the evidence that supports the grounds for the challenge to each claim”)).

A patent claim is unpatentable under 35 U.S.C. § 103(a) if the differences between the claimed subject matter and the prior art are such that the subject matter, as a whole, would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including: (1) the scope and content of the prior art; (2) any differences between the claimed subject matter and the prior art; (3) the level of ordinary skill in the art; and (4) when in evidence, objective evidence of nonobviousness.⁴ *Graham v. John Deere Co.*, 383 U.S. 1, 17–18 (1966). “[W]hen a patent claims a structure already known in the prior art that is altered by the mere substitution of one element for another known in the field, the combination must do more than yield a predictable result.” *KSR*, 550 U.S. at 416 (citing *United States v. Adams*, 383 U.S. 39, 50–51 (1966)). An obviousness inquiry is not limited to the prior art’s preferred embodiment. *See, e.g., Pfizer, Inc. v. Apotex, Inc.*, 480

⁴ Patent Owner does not present arguments or evidence of secondary considerations (i.e., objective indicia of non-obviousness) in its Preliminary Response. Therefore, secondary considerations do not constitute part of our analysis herein.

F.3d 1348, 1370 (Fed. Cir. 2007). We also recognize that prior art references must be “considered together with the knowledge of one of ordinary skill in the pertinent art.” *In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994) (citing *In re Samour*, 571 F.2d 559, 562 (CCPA 1978)).

V. GROUND 1 – ALLEGED OBVIOUSNESS OVER MOORING AND SATOSHI

Petitioner contends that claims 1 and 11–14 of the ’033 patent are unpatentable under 35 U.S.C. § 103(a) as obvious over Mooring in view of Satoshi. Pet. 23–43. Patent Owner opposes, arguing that several of the claim limitations are not taught, and that the rationale to combine the references is insufficient or flawed. Prelim. Resp. 13–29.

A. Claim 1

1. Preamble 1[Pre]

The preamble of claim 1 recites: “Wristwatch comprising:” Pet. 25.

Petitioner contends Mooring teaches the preamble of claim 1, because Mooring’s Figures 7 and 8 disclose “a modular movement that is both fully functional standalone as well as interchangeable in other portable devices, ***such as watches.***” Pet. 25 (citing Ex. 1005 ¶ 22).

Patent Owner does not specifically address the preamble of claim 1 in the Preliminary Response. *See generally* Prelim. Resp.

On this record, we preliminarily find Petitioner has shown that at least Mooring teaches the preamble of claim 1.

2. Limitation 1[a]

Limitation 1[a] of claim 1 recites: “a watchcase.” Pet. 26.

Petitioner argues “Mooring discloses Element 1[a].” Pet. 26 (citing Ex. 1002 ¶¶ 135-137). Petitioner contends the claimed “watchcase” corresponds to “case 14” in Mooring. Pet. 16 (citing Ex. 1005 ¶ 37; Ex. 1002 ¶ 136 (citing Mooring’s Figures 1A, 1B, and 1C, depicting case 14)).

Patent Owner does not specifically address limitation 1[a] in the Preliminary Response. *See generally* Prelim. Resp.

On this record, we preliminarily find Petitioner has shown that at least Mooring teaches limitation 1[a].

3. *Limitation 1[b]*

Limitation 1[b] of claim 1 recites: “an electronic display in said watchcase.” Pet. 27.

Petitioner argues “Mooring discloses Element 1[b].” Pet. 15 (citing Ex. 1002 ¶¶ 138-141). Petitioner contends that Mooring teaches “electronic movements 12b and 12c in Figures 1B and 1C . . . include an electronic display. Mooring states that an electronic movement ‘may include a computer-based movement with *a touchscreen or LCD display*.’ Ex-1005 ¶ 39. An LCD touchscreen display is an electronic display.” Pet. 15 (citing Ex. 1002 ¶¶ 55–63, 139).

Patent Owner does not specifically address limitation 1[b] in the Preliminary Response. *See generally* Prelim. Resp.

On this record, we preliminarily find Petitioner has shown that at least Mooring teaches limitation 1[b].

4. *Limitation 1[c]*

Limitation 1[c] of claim 1 recites: “a quartz oscillator.”

Petitioner argues Mooring discloses Element 1[c]. Pet. 28.

(citing Mooring ¶¶ 142–145). Petitioner explains that the claimed quartz oscillator is clock 620, as depicted in Figure 6 of Mooring, which Mooring states “may utilize a *quartz crystal oscillator*.” Pet. 28 (citing Ex. 1005 ¶ 58).

Patent Owner does not specifically address limitation 1[c] in the Preliminary Response, but does argue that Figure 6 is a separate embodiment from Figures 1B and 1C, and that “[t]he Petition is deficient for not articulating a necessary motivation to combine the two separate embodiments in Mooring that Petitioner relies on to teach the use of the claimed microcontroller in combination with quartz oscillation.” Prelim. Resp. 18. We address this issue *infra*.

At this juncture, we preliminarily find Petitioner has shown that at least Mooring teaches limitation 1[c] (“a quartz oscillator”) by teaching the use of a “quartz crystal oscillator” in paragraph 58. *See also Id.* ¶¶ 3, 39 (discussing a “quartz movement”).

5. *Limitation 1[d]*

Limitation 1[d] of claim 1 recites: “a microcontroller being arranged for reproducing on said electronic display the simulation of a mechanical watch movement comprising a gear train, said simulation being visible so as to indicate the time, said microcontroller being further arranged for synchronizing the displayed time by said displayed mechanical movement with that of said quartz oscillator.” Pet. 30.

Thus, the microcontroller of limitation 1[d] is “arranged” (i.e., programmed) to perform two functions: (1) “reproducing on said electronic display the simulation of a mechanical watch movement comprising a gear train, said simulation being visible so as to indicate the time,” and, (2)

synchronizing the displayed time by said displayed mechanical movement with that of said quartz oscillator.

Petitioner contends the combination of Mooring and Satoshi teaches a microcontroller that performs both functions of limitation 1[d]. Pet. 30 (citing Ex. 1002 ¶¶ 146–62). Petitioner identifies the microcontroller as Mooring’s microprocessor 614 and/or digital signal processor (DSP) 616 together with display controller 630. *Id.* (citing Ex. 1005 ¶¶ 12, 57, 60; Ex. 1002 ¶¶ 148–149).

Regarding “reproducing” function (1) of limitation 1[d], Petitioner notes that “Mooring discloses that the electronic movement may include “an analog or digital display.” Pet. 31 (citing Ex. 1005 ¶ 39). Petitioner further contends that “like Mooring, Satoshi also teaches an electronic LCD display capable of displaying a simulation of a mechanical watch movement.” Pet. 31 (citing Ex. 1007 ¶¶ 11, 40).

Patent Owner disagrees that Mooring discloses “the simulation of a mechanical watch movement,” as required by limitation 1[d]. Prelim. Resp. 13–14. Patent Owner additionally contends that Mooring does not disclose “a microcontroller being arranged for reproducing on said electronic display the simulation of a mechanical watch movement,” as required by limitation 1[d]. Prelim. Resp. 16.

In support, Patent Owner advances two principal arguments:

- (1) First, Petitioner fundamentally misinterprets the functions of Mooring’s microprocessor 614 and/or DSP 616. Mooring states that “[m]icroprocessor 614 and/or DSP may be capable of concurrently executing multiple software routines, including system code, to control the various processes of the modular movement 12b.” 2 Ex. 1005, [0057]. That the microprocessor and/or DSP of Mooring “control the various processes of the

modular movement 12b” (e.g., quartz movement) is inapposite to reproducing a simulation of a mechanical watch movement.

- (2) Second, Petitioner misinterprets the function of Mooring’s display controller 630, which “may access RAM 622 and *transfer processed data, such as time and date and/or a user interface*, to the touchscreen 506 for display.” *Id.*, [0060] (emphasis added). A device controller “[t]ransferring processed data, such as time and date” directly to a touchscreen for display does not disclose or suggest reproducing a simulated mechanical watch movement, as required by the claim.

Prelim. Resp. 17–18.

We preliminarily disagree with Patent Owner on both argued points (1) and (2). *See Id.* We preliminarily agree with the testimony of Dr. Bederson (Ex. 1002 ¶ 149) that Mooring’s display controller 630 and microprocessor 614 and/or DSP 616 teach or suggest the claimed microcontroller recited in limitation 1[d] of claim 1 of the ’033 Patent, because we agree with Dr. Bederson that “Mooring describes an embodiment that includes an analog display, in which the microcontroller displays on the touchscreen a simulation of the movement of hour and minute hands to indicate the time.” Ex. 1002 ¶ 150 (citing Ex. 1005 ¶ 39).

Regarding the electronic movement embodiment, paragraph 39 of Mooring describes in pertinent part:

FIGS. 1B and 1C illustrate example embodiments where the modular movements 12b and 12c are implemented as an electronic movement. Examples of an electronic movement may include a quartz movement with an *analog* or digital display, and with or without a battery. Another example of an electronic movement may include a computer based movement with a touchscreen or LCD display and battery, for instance.

Ex. 1005 ¶ 39 (emphasis added). We agree with Dr. Bederson that “[a] POSITA would have understood that an ‘analog display’ uses hour and minute hands to indicate the time.” Ex. 1002 ¶ 150 (citing Ex. 1036).

At this stage, our understanding is that at least one of Mooring’s electronic movement embodiments described in paragraph 39 includes an electronic display *simulation* of *analog* (mechanical) hour and minute hands, which would appear similar to the *actual* mechanical hour and minute hands depicted in the Figure 1A mechanical movement described in Mooring’s paragraph 38: “FIG. 1A may illustrate an embodiment where the modular movement 12a is implemented as a mechanical movement.” Ex. 1005.

Although we agree with Patent Owner that Mooring is silent regarding any mention of gears (Prelim. Resp. 15), we preliminarily agree with Dr. Bederson that “[d]isplaying the movement of an hour hand and minute hand” (similar to the actual mechanical watch hands depicted in Mooring’s Figure 1A), when considered in combination with the electronic movement *analog* display embodiment described in Mooring’s paragraph 39, teaches or suggests the claim 1[d] limitation: “simulation of a mechanical watch movement.” Ex. 1002, ¶ 150.

Petitioner relies upon Satoshi for teaching “the simulation of a mechanical watch movement comprising a *gear train*,” as required by claim limitation 1[d]: “Satoshi discloses a ‘simulation of a mechanical watch movement comprising a *gear train*, said simulation being visible so as to indicate the time.’” Pet. 33 (citing Ex. 1002 ¶ 153) (emphasis added).

Dr. Bederson’s Declaration (Ex. 1002 ¶ 153) explains:

153. Satoshi further teaches a “simulation of a mechanical watch movement comprising a gear train, said

simulation being visible so as to indicate the time.” For example, Satoshi’s claim 1 reads: “A rotating body image display device for displaying animation of a plurality of rotating bodies such as gears that can synchronously rotate with each other[.]” Ex-1007. This claimed display of rotating gears is illustrated by Satoshi’s Figure 5L[.]

In support, Dr. Bederson’s Declaration (¶ 154) further describes Satoshi’s simulation of a mechanical watch movement, including a simulated displayed gear train and displayed watch hands that indicate the time, for example as depicted in Satoshi’s Figure 5L:

154. Satoshi also discloses coupling the “gear train” with watch hands that rotate in synchronization with the interlocking gears. Satoshi’s specification states that the applicants developed “a program for displaying an animation of interactively operable gears of any number for mobile phone users to arrange and display in a plurality of combinations.” Ex-1007 ¶4. Satoshi states the claimed program “can also display *watch hands that rotate corresponding to the rotation of each gear.*” *Id.* For example, in describing Figure 5L above, Satoshi states: “hands 9 (illustrated in FIG. 5) can be displayed integrally rotating with arbitrary gears in addition to the gears 7, and by adjusting a rotation rate of a gear serving as a driving gear, a gear ratio of gears meshing together, and the like, *movement of an hour hand 9a, a minute hand 9b, and a second hand 9c of a clock such as depicted in FIG. 5(L) can be replicated.*” *Id.* ¶42.

Ex. 1002 ¶ 154.

As relied upon in Dr. Bederson’s Declaration, paragraph 4 of Satoshi describes in pertinent part:

The present applicants set out to develop, as content provided on a mobile phone having an internet connection environment, a program *for displaying an animation of*

interactively operable gears of any number for *mobile phone users* to arrange and display in a plurality of combinations, wherein rotation is performed by a user operation at separate rotation rates according to the rotation rate of the gears on the drive side of each gear displayed on the display screen and the ratio of the number of teeth on each gear.

In addition, to enhance user interest, the content described above can also *display watch hands that rotate corresponding to the rotation of each gear* which, by a user successfully arranging gears in combination, enables the rotation of an hour hand, minute hand, and second hand in *hour, minute, and second* units respectively, as well a display such as of a so-called skeleton clock.

(emphases added).

Based upon Figure 5L and paragraph 4 of Satoshi, we preliminarily agree with Petitioner that Satoshi electronically displays mechanical watch hands (9a, 9b, 9c) that indicate the time in hours, minutes, and seconds, which rotate at a rate corresponding to the rotation rate of each gear, and thus we preliminarily find the displayed clock mechanism depicted in Satoshi's Figure 5L teaches or suggests "a simulation of a mechanical movement comprising a gear train, said simulation begin visible so as to indicate the time," as recited within limitation 1[d] of claim 1 of the '033 Patent.

Regarding the "synchronizing" function (2) of limitation 1[d] ("synchronizing the displayed time by said displayed mechanical movement with that of said quartz oscillator"), Petitioner contends Satoshi "teaches that the user can request to set the watch hands to "the current time . . . read from the clock function of the mobile phone." Pet. 36 (citing Ex. 1007 ¶87). Petitioner further contends "[a] POSITA would have understood that Satoshi's gear display keeps time using a mechanical movement simulation,

but discloses synchronizing the display time with the more accurate time of the clock function of the mobile phone.” Pet. 36 (citing Ex. Ex-1002 ¶159). Petitioner also contends a “POSITA would have understood that this accurate ‘clock function’ in Satoshi corresponds to the accurate quartz clock 620 in Mooring.” Pet. 36 (citing Ex. 1005 ¶58; Ex. 1002 ¶159).

In support, Petitioner contends:

Thus, in applying Satoshi’s disclosure of synchronization to the wristwatch of Mooring (which is not a mobile phone), a POSITA would have understood to synchronize the displayed time (based on the rotation of the gears) with the time in clock 620, which is based on a quartz oscillator as explained in Element 1[d] (§XII.A.2.d). *Id.* A POSITA would have realized that the timekeeping of the quartz oscillator is more precise than that of the rotating gears, and thus would have been motivated to (at least periodically) synchronize the displayed time with the time of the quartz oscillator. *Id.* ¶160-61. Accordingly, Mooring-Satoshi teaches “synchronizing the displayed time by said displayed mechanical movement with that of said quartz oscillator.” *Id.* ¶162.

Pet. 36.

Regarding “synchronizing the displayed time by said displayed mechanical movement with that of said quartz oscillator” as recited within function (2) of limitation 1[d], Patent Owner disagrees:

While Petitioner argues that Satoshi’s “calculation processing part 3” discloses the claimed microcontroller (Pet. at 32), Satoshi’s calculation processing part 3 is not “arranged for synchronizing the displayed time by said displayed [simulation of a] mechanical movement.” Satoshi’s calculation processing part 3 is only responsible for executing the display (*e.g.*, rotating animated gears and hands) or adjusting the color scheme based on user specification (*e.g.*, size of gears, number of teeth per gear, rotation rate, color, etc.):

The calculation processing part 3 executes the rotating body image display program of the present invention and functions as display controlling means and color changing means of the present invention.

Ex. 1007, [0040]; *see also id.*, [0042] (describing that part 3 “displays an animation of a plurality of gears 7 (spur gears) as rotating bodies”), [0067] (describing that part 3 displays the gears according to user settings in an editing mode), [0080] (“part 3 for performing the color changing process”), [0103] (describing that the calculation processing part 3 ensures “timings are substantially synchronized for switching the image data for the rotating bodies together, which are displayed in a synchronously rotating state” of user-specified gears or other rotating bodies).

Prelim. Resp. 23.

We reproduce paragraph 87 of Satoshi below, as cited by Petitioner (Pet. 36):

In addition, in changing the angle of the hands 9, a current time can be obtained ***based on the clock function of the mobile phone 1***, and menu items are prepared for setting the hour hand 9a, the minute hand 9b, and the second hand 9c respectively to angles based on the current time.

That is, based on ***an operation by the user***, the current time can be read from the ***clock function of the mobile phone 1***, and corresponding to the hour, minute, and second that was read, a process is performed in which the hour hand 9a, the minute hand 9b, and the second hand 9c are respectively set to an angle for the current hour, an angle for the current minute, and an angle for the current second (steps S23, 24, and 25). Furthermore, each change operation can be repeated, but ***by operating the set key***, the ***angles of the hands 9 are fixed*** and the process ends (step S26).

(emphases added)

To the extent that Patent Owner argues that Satoshi's calculation processing part 3 as depicted in Figure 1 *only* provides synchronization by *switching the image data for the rotating gears*, which are displayed in a synchronously rotating state (with the hour (9a) and minute (9b) clock hands, as depicted in Figure 5L), we preliminarily disagree with Patent Owner. *See* Prelim. Resp. 23 (citing Ex. 1007 ¶¶ 40, 42, 67, 80, 103; Fig. 1).

At this juncture, and based upon our understanding of the English language translation of Satoshi (Ex. 1007), we understand paragraph 87 as describing the user can set the clock time based upon the clock function of the mobile phone by operating the set key.

Further, we are of the view that this user-initiated action involves the microprocessor executing code to perform the synchronization of the displayed time with a time based upon the mobile phone clock function. *See* Ex. 1007 ¶ 87 (reading the current time from the clock function of the mobile phone and performing a process to set the angular positions of the simulated hour, minute, and second hands to display the current time). We also agree at this juncture that a "POSITA would have understood that this accurate "clock function" in Satoshi corresponds to the accurate quartz clock 620 in Mooring. Pet. 36 (citing Ex. 1005 ¶58; Ex. 1002 ¶159).

Therefore, we find Petitioner has preliminarily shown that the combination of Mooring and Satoshi teaches or suggests "synchronizing the displayed time by said displayed mechanical movement with that of said quartz oscillator" as recited as function (2) within limitation 1[d].

For the aforementioned reasons, and based upon our review of the portions of Mooring and Satoshi provided by the parties, we preliminarily find Petitioner has shown that the combination of Mooring and Satoshi teaches or suggests all of limitation 1[d] of claim 1 of the '033 Patent.

6. *Rationale for Combining Mooring with Satoshi Ground 1*

Petitioner contends: “[b]ecause clock 620 in Mooring is based on a quartz oscillator (Ex-1005 ¶¶3, 39, 58), it would have been obvious to a POSITA that Satoshi’s user request in the combined Mooring-Satoshi system would result in synchronizing the time displayed by the watch hands with the clock time based on Mooring’s quartz oscillator.” Pet 25 (citing Ex-1002 ¶129).

Patent Owner disagrees: “The Petition is deficient for not articulating a necessary motivation to combine the two separate embodiments in Mooring that Petitioner relies on to teach the use of the claimed microcontroller in combination with quartz oscillation.” Prelim. Resp. 18. Patent Owner argues: “Mooring’s description of the computer components of FIG. 6 . . . is in a separate embodiment from the embodiment that Petitioner relies upon to show that Mooring discloses quartz movement.” *Id.* at 18–19.

In support, Patent Owner contends:

Because Mooring uses separate embodiments for computer-based movement (*i.e.*, the embodiment which Petitioner relies on for disclosing a microcontroller”) and quartz oscillation movement, a POSITA would require some motivation to combine the two embodiments of Mooring to teach the combination of the claimed “quartz oscillator” with the claimed “microcontroller being arranged for reproducing on said electronic display the simulation of a mechanical watch movement” that is required in claim element 1[d]. Petitioner does not provide any such motivation to combine.

Prelim. Resp. 20. Patent Owner essentially restates this argument in the last paragraph on page 25 of the Preliminary Response.

We preliminarily disagree that Figure 6 of Mooring is a separate embodiment from the electronic quartz movement 12b having an analog display. Mooring's Figure 1B is a high-level illustration of Mooring's watch having a "modular movement[] 12b . . . implemented as an electronic movement. . . . [that] may include a quartz moment with an analog or digital display." Ex. 1005 ¶ 39. Mooring's Figure 6 is a detailed "block diagram illustrating computer components on the PCB comprising the modular movement 12b." *Id.* ¶ 55. Thus, we interpret Figure 6 as a detailed illustration of the components of movement 12b, which is shown at a higher level in Figure 1B as a removable component of watch 10, not as a separate embodiment of movement 12b. *Id.* ¶¶ 39, 55, Figs. 1B, 6. Moreover, even if Figures 1B and 6 describe different embodiments as Patent Owner contends, our reviewing court guides that "[c]ombining two embodiments disclosed adjacent to each other in a prior art patent does not require a leap of inventiveness." *Boston Scientific Scimed, Inc. v. Cordis Corp.*, 554 F.3d 982, 991 (Fed. Cir. 2009).

Patent Owner further contends Petitioner has improperly combined Mooring and Satoshi because:

contrary to Petitioner's statement, Satoshi does not "disclos[e] synchronization to the wristwatch of Mooring" or "synchronize the displayed time (based on the rotation of the gears) with the time in clock 620" because a user is necessarily involved in manually setting the configuration of Satoshi's image display to match a clock function instead of "***said microcontroller being further arranged for synchronizing.***"

Prelim. Resp. 25.

We disagree with Patent Owner, for the reasons explained above regarding limitation 1[d] *supra*. As indicated above regarding limitation

1[d], we understand paragraph 87 of Satoshi as teaching the user sets the time by operating the set key. At this juncture, we agree with Dr. Bederson's Declaration (Ex. 1002, ¶ 129) that the user-initiated setting action in Satoshi involves the microprocessor executing code to perform synchronization of the displayed time with a precise time determined by an internal clock function to provide an accurate time base, where the internal clock function in Mooring is clock 620 based on a quartz crystal oscillator. *See* Satoshi, Ex. 1007 ¶¶ 4, 42, 87; Mooring, Ex. 1005 ¶¶ 3, 39, 58).

Patent Owner further argues that Petitioner has improperly combined Mooring and Satoshi because:

contrary to Petitioner's statement, Mooring does not describe "the displayed time . . . based on a quartz oscillator." In the claim, "the displayed time" is a "***simulation*** of a mechanical watch movement" but Mooring only discloses physical hands or dials associated with quartz movement. *See supra* Section VI.A.1(a). Mooring also fails to disclose "***a microcontroller*** being arranged for reproducing on said electronic display the simulation of a mechanical watch movement."

Prelim. Resp. 25.

We disagree with Patent Owner, for the reasons explained above regarding limitation 1[d] *supra*. We agree with Dr. Bederson that "Mooring describes an embodiment that includes an analog display in which the microcontroller displays on the touchscreen a simulation of the movement of hour and minute hands to indicate the time." Ex. 1002 ¶ 150 (citing Ex. 1005 ¶ 39).

At this juncture, our understanding of Mooring is that it discloses in Figure 1B an electronic movement 12b that "may include a quartz movement with an analog or digital display." Ex. 1005 ¶ 39. A person

skilled in the art would have understood that an analog display is a hand and hour display such as that shown in Figure 1A, element 12a. Ex. 1002 ¶ 150. A detailed description of Figure 1B's movement 12b is shown in Figure 6, and includes microprocessor 614 and clock 60 based on a quartz crystal oscillator. Ex. 1005 ¶¶ 55–58, Fig. 6. Thus, Mooring's electronic movement 12b displays a *simulation* of mechanical hour and minute hands.

Patent Owner further contends that throughout "Petitioner's entire section on the motivation of a POSITA to combine Mooring with Satoshi for element 1[d], Petitioner does not even mention the claimed 'microcontroller,' which is not disclosed in either Mooring or Satoshi." Prelim. Resp. 26 (citing Pet. at 34–36).

But we emphasize that Petitioner argues the "microcontroller" of limitation 1[d] in the Petition at page 30 (asserting "[t]he claimed 'microcontroller' corresponds to display controller 630 together with microprocessor 614 and/or digital signal processor (DSP) 616 in Figure 6 of Mooring."), and in the Petition at page 33, referring to Satoshi's Figure 1 which depicts CPU 31.

Patent Owner further contends:

Petitioner's expert fails to provide any evidence or citations for his empty statement that "it would have been obvious to a POSITA that the user request taught in Satoshi would synchronize the time displayed by the watch hands (based on the rotation of the gears) with the clock time based on the quartz oscillator in Mooring." See Ex. 1002, ¶¶ 159-162. Petitioner's purported motivation to combine Mooring with Satoshi relies *exclusively* on those cited Paragraphs 159-162 of its expert's declaration and, like Petitioner's expert declaration, is also baseless. See Pet. at 36.

Prelim. Resp. 26.

We note that Dr. Bederson states “a POSITA would have understood the relevant ‘clock function[s] of [Satoshi’s] mobile phone’ would correspond to clock 620 in Mooring,” with which we agree. Ex. 1002 ¶ 159. Thus, Petitioner’s proposed combination is one of familiar elements according to known methods, i.e., applying Satoshi’s synchronization method (synchronizing a simulated analog display time to a mobile phone’s clock function) to Mooring’s watch embodiment in order to synchronize Mooring’s simulated analog display time to Mooring’s quartz-oscillator based clock 620. *See KSR*, 550 U.S. at 416. Moreover, based upon our review of paragraphs 159–162 of Dr. Bederson’s Declaration (Ex. 1002), we note paragraph 159 cites to Mooring (Ex. 1005), at paragraphs 3 and 58, which Patent Owner has not addressed in support of the arguments advanced on page 26 of the Preliminary Response (reproduced above). Therefore, at this juncture, we are not persuaded by Patent Owner’s argument. *See* Prelim. Resp. 26.

Patent Owner additionally argues that “Petitioner and Petitioner’s expert do not explain why a person of ordinary skill in the art would be motivated to combine a reference for *mobile phone applications* with a wristwatch reference to teach the claimed wristwatch.” Prelim. Resp. 27.

But we are preliminarily persuaded by the testimony in Dr. Bederson’s Declaration (Ex. 1002 ¶ 130) that a POSITA would have understood that different electronic watch displays (analog or digital in Mooring; analog with gears in Satoshi) are programmable on standard microprocessors and displayable on standard LCD screens and are interchangeable. Pet. 25 (citing Ex. 1002 ¶¶ 57-63, 64-68, 130). Thus, we preliminarily agree with a Petitioner that “a POSITA would have understood . . . that these references disclose interrelated teachings based on routine

technologies that would have been amenable to various well-understood and predictable combinations to provide more features and enhance user interest.” Pet. 25 (citing Ex. 1002 ¶¶ 57-63, 64-68, 131).

Because Petitioner points out the wristwatch embodiment 710 in Mooring, we note the alternative cell phone handset embodiment 700 at the top of Figure 7 is readily apparent. *See* Pet. 59. The fact that *both Mooring and Satoshi have phone embodiments* undermines Patent Owner’s argument that Mooring and Satoshi are not combinable because Mooring is directed to a wristwatch and Satoshi is directed to a mobile phone. Prelim. Resp. 27.

Petitioner argues that a “POSITA would have been motivated to combine the teachings of Mooring and Satoshi and would have had a reasonable expectation of success in doing so:”

because each relates to the same well-known technologies. Ex-1002 ¶¶ 126-31. Both are directed to clocks displayed on digital interfaces. Ex-1005 ¶¶ 22, 39; Ex-1007 ¶ 4. Both also describe electronic movements with LCD display screens. Ex-1005 ¶ 4; Ex-1007 ¶¶ 2-4.

Pet. 23 (citing inter alia Mooring, Ex. 1005 ¶¶ 4, 22, 39; Satoshi, Ex. 1007 ¶¶ 2-4).

Patent Owner disagrees and contends: (1) Petitioner’s arguments are conclusory (Prelim. Resp. 28), and (2) Petitioner presents no evidence that a POSITA would reasonably succeed in combining Mooring and Satoshi in the absence of quartz oscillation as a time-keeping mechanism in mobile phones[□] as of the date of the ’033 Patent invention, or the differing size and power capabilities of microcontrollers between mobile phones and wristwatches as of the date of the ’033 Patent invention.” Prelim. Resp. 29.

But we are preliminarily persuaded by the testimony in Dr. Bederson’s Declaration (Ex. 1002 ¶ 126) that “[a] POSITA would have been

motivated to combine the teachings of Mooring and Satoshi and would have had a reasonable expectation of success in doing so because each relates to the same well-known technologies.” Dr. Bederson notes that “[b]oth references are directed to clocks displayed on digital interfaces. Ex-1005 ¶¶22, 39; Ex-1007 ¶ 4. And both references also describe electronic movements with LCD display screens. Ex-1005 ¶4; Ex-1007 ¶¶2-4.” Ex. 1002 ¶ 126. And as discussed immediately above, both Mooring and Satoshi have phone embodiments.

We are also preliminarily persuaded by this testimony in Dr. Bederson’s Declaration (Ex. 1002 ¶ 129): “A POSITA would have understood that the time determined by the quartz oscillator is *more precise and thus more accurate* than the time determined by the gear mechanism.” (emphasis added). For this reason, we preliminarily agree with Dr. Bederson that “a POSITA would have been motivated to implement the ability to synchronize the time determined by the gear mechanism with the internal time determined by the quartz oscillator” to obtain a more precise, accurate time, and would have had a reasonable expectation of success in doing so. *Id.*

Accordingly, at this juncture, we are not persuaded by Patent Owner’s arguments regarding the combinability of Mooring and Satoshi by a POSITA, and the possibility of not realizing a reasonable expectation of success. *See* Prelim. Resp. 26.

7. Conclusion for Claim 1 under Ground 1

Having considered the arguments and evidence presented by both the Petitioner and Patent Owner, we determine that Petitioner has established a reasonable likelihood that it would prevail in showing that the subject matter

of independent claim 1 would have been obvious over the combination of Mooring and Satoshi.

B. Claims 11–14 under Ground 1

With respect to ground 1, Patent Owner does not separately and substantively argue claims 11–14 of the '033 patent. Prelim. Resp. 29. We have reviewed the record and find Petitioner's evidence and argument on the obviousness of these claims over Mooring and Satoshi are sufficient at this stage of the proceeding.

VI. ADDITIONAL GROUNDS

Petitioner also contends that the challenged claims would have been obvious over other grounds, identified above. *See* Pet. 44–88. At this stage, we find Petitioner's showing as to the obviousness of claims 1 and 11–14 over Mooring and Satoshi for ground one is sufficient to institute *inter partes* review of all claims on all grounds.

VII. DISCRETIONARY DENIAL UNDER 35 U.S.C. § 314(A)

Patent Owner urges that the “circumstances of the parallel District Court Litigation necessitate denial of the Petition under the Board's precedent, as every factor considered in relation to efficiency, fairness, and the merits supports denial.” Prelim. Resp. 32. But Petitioner contends “the six factors set out in *Fintiv* do not justify denying institution.” Pet. 89.

As noted above, in its February 27, 2024 Preliminary Reply, Petitioner states:

On January 31, 2024, Petitioner stipulated in the parallel EDTX litigation, under *Sotera*, that if this IPR is instituted,

“Samsung will not pursue as to the challenged claims any ground raised or that could have been reasonably raised in the IPR in the above-captioned district court Case 2:23-cv-00083-RWS-RSP.” Ex- 1051 at 2. Petitioner filed that stipulation here (and in related IPRs) on February 7, 2024 with the Board’s authorization. Ex-1051. PO admitted during a February 20, 2024 teleconference with the Board that under “the current guidance we understand that it’s very unlikely that discretionary denial would be, would be granted.” IPR2024-00002, Ex-1035, 5:3-14.

Prelim. Reply 1 (Paper 10).

Petitioner summarizes:

Petitioner filed its *Sotera* stipulation in this case well before the deadline for institution and according to established PTAB practice. Such a stipulation is dispositive under the Director’s Memo. Thus, this petition should not be discretionarily denied.

Prelim. Reply 3.

We determine Petitioner’s stipulation possesses attributes sufficient to meet the requirements of *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (precedential as to § II.A). USPTO policy provides that, “[c]onsistent with *Sotera Wireless, Inc.*, the PTAB will not discretionarily deny institution in view of parallel district court litigation where a petitioner presents a stipulation not to pursue in a parallel proceeding the same grounds or any grounds that could have reasonably been raised before the PTAB.” *Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings With Parallel District Court Litigation*, Memorandum, June 21, 2002, 3, 7–8 (available at https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621.pdf).

Consequently, we do not exercise our discretion to deny institution based on the parallel district court litigation.

VIII. CONCLUSION

After considering the arguments presented in the Petition, the Preliminary Response, and the evidence of record, we determine that Petitioner has demonstrated a reasonable likelihood of success in proving that at least one claim of the '033 patent is unpatentable as obvious over the combination of Mooring and Satoshi.

Accordingly, we institute an *inter partes* review of all challenged claims (i.e., claims 1–19) on all grounds set forth in the Petition. Our determinations at this stage of the proceeding are based on the evidentiary record currently before us. This decision to institute trial is not a final decision as to the patentability of any claim for which we have instituted an *inter partes* review. *See TriVascular, Inc. v. Samuels*, 812 F.3d 1056, 1068 (Fed. Cir. 2016) (noting that “there is a significant difference between a Petitioner’s burden to establish a ‘reasonable likelihood of success’ at institution, and actually proving invalidity by a preponderance of the evidence at trial”). We will base any final decision on the full record developed during trial.

IX. ORDER

In consideration of the foregoing, it is hereby

ORDERED that, pursuant to 35 U.S.C. § 314(a), an *inter partes* review is instituted for claims 1–19 of the '033 patent on the unpatentability grounds asserted in the Petition; and

FURTHER ORDERED that pursuant to 35 U.S.C. § 314(c) and 37 C.F.R. § 42.4, notice is hereby given of the institution of a trial, which commences on the entry date of this decision.

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