

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., LTD., and
SAMSUNG ELECTRONICS, AMERICA, INC.,
Petitioners,

v.

FENDGO, LLC,
Patent Owner.

Case IPR2024-00113

Patent 11,265,404

PATENT OWNER'S PRELIMINARY RESPONSE

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Pursuant to 37 C.F.R. § 42.120, Patent Owner Fendgo, LLC (“Patent Owner”) respectfully submits this Preliminary Response to the Petition filed by Petitioners Samsung Electronics Co., Ltd and Samsung Electronics America, Inc. (“Petitioners”) regarding U.S. Patent No. 11,265,404 (Ex. 1001, “’404 patent”).

I. Introduction

The ’404 patent claims a novel and non-obvious system that incorporates safety features in a mobile device in a way that increases personal safety in vulnerable situations. The ’404 patent’s system uses a transmitting unit to transmit/send emergency information including image data, audio data, location data, and owner identification information to a specified location when a panic button is pressed.

Petitioners challenge independent claims 9, 13, and 15 under Grounds 1A, 2, 3A and 4A based on theories of single reference obviousness (*Walker*, claim 15) and two-reference obviousness (*Walker* in view of *Kim*, *Zellner* in view of *Kim*, or *Martin* in view of *Kim*, claims 9 and 13). While *Walker*, *Zellner* and *Martin* generally relate to using a safety device, each does so differently than the ’404 patent. There are multiple independent reasons why the various reference combinations fail to disclose all of the ’404 patent’s independent claim limitations.

First, *Walker* does not disclose transmitting “owner identification information” as required by claim limitations 9[c], 13[c], and 15[c]. Because of this

deficiency, which is included in each of the independent claims Petitioners challenge, the Petition fails to establish a reasonable likelihood that Petitioners would prevail in showing the unpatentability of at least one claim.

Second, *Walker* does not disclose sending or transmitting “the emergency information and the specific information to a specified location” as required by claim limitations 9[d], 13[d], and 15[c]. Accordingly, for this second, independent reason, the Petition again fails to establish a reasonable likelihood that Petitioners would prevail in showing the unpatentability of at least one claim.

Third, *Zellner* and *Martin* do not disclose “send[ing] the emergency information and the specific information ... when the panic button is activated” as required by claim limitations 9[c], 13[d]. Accordingly, for this third, independent reason, the Petition again fails to establish that Petitioners are likely to prevail in showing the unpatentability of at least one claim.

Petitioners present grounds combining each of *Walker*, *Martin*, and *Zellner* with *Kim*. However, *Kim* does not cure the deficiencies in any of the other references. Indeed, none of the combinations of references cure the deficiencies because Petitioners’ arguments heavily rely on conclusory statements regarding the knowledge of a POSITA.

In addition to the Petition’s failure to establish unpatentability of the ’404 patent’s independent claims, institution should be denied under 35 U.S.C. § 314

based on the *Fintiv* factors. As explained in detail below, one factor weighs strongly in favor of discretionary denial and three factors weigh in favor of discretionary denial, whereas one factor is neutral and one factor only marginally favors not exercising discretion to deny institution. Importantly, the district court trial is currently set to occur approximately two months before the projected statutory deadline for a final written decision in this IPR, which heavily weighs against institution. Accordingly, Patent Owner respectfully requests that the Board exercise its discretion and deny institution.

II. Claim Construction

A court “look[s] to the words of the claims themselves ... to define the scope of the patented invention.” *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005) (en banc) (quoting *Vitronics Corp. v. Conceptronic, Inc.*, 90 F.3d 1576, 1582 (Fed. Cir. 1996)). A claim term is generally given its “ordinary and customary meaning,” which is “the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention.” *Id.* at 1312–13. While courts may deviate from the plain and ordinary meaning in some circumstances, there is a “heavy presumption that a claim term carries its ordinary and customary meaning.” *CCS Fitness, Inc. v. Brunswick Corp.*, 288 F.3d 1359, 1366 (Fed. Cir. 2002) (internal quotations omitted). Under this “exacting” standard, any departure from a claim’s ordinary meaning must be based on language that is “so unmistakable as to be

unambiguous.” *Dealertrack Inc. v. Huber*, 674 F.3d 1315, 1322 (Fed. Cir. 2012) (citations omitted).

Here, at this stage in the proceeding, Patent Owner will apply the ordinary and customary meaning to the ’404 patent’s claim terms.

III. Arguments

Petitioners challenge claims 9–15. Petitioners challenge independent claims 9 and 13 with Grounds 1A, 3A, and 4A. Petitioners challenge independent claim 15 with Ground 2. Independent claims 9, 13, and 15 are reproduced below.

Claim 9 recites:

9[pre] A mobile device, comprising:

9[a] a camera unit, adapted to obtain at least one of image data and audio data;

9[b] a location unit, adapted to obtain location data;

9[c] a transmitting unit, adapted to transmit as emergency information the image data, the audio data, and the location data along with specific information including owner identification information; and

9[d] a panic button, adapted to activate the camera unit, the location unit, and the transmitting unit, and send the emergency information and the specific information to a specified location when the panic button is activated,

9[e] wherein the panic button is activated by a series of depressings of the panic button.

Claim 13 recites:

13[pre] A mobile device, comprising:

13[a] a camera unit, adapted to obtain at least one of image data and audio data;

13[b] a location unit, adapted to obtain location data;

13[c] a transmitting unit, adapted to transmit the image data, the audio data, and the location data as emergency information to a specified location, along with specific information including owner identification information; and

13[d] a panic button, which, when activated, performs the following panic button functions: (1) activating the camera unit, the location unit, and the transmitting unit to send the emergency information and the specific information to the specified location, and (2) dialing a public or private network for emergency purposes,

13[e] wherein the panic button is activated by a series of depressings of the panic button.

Claim 15 recites:

15[pre] An emergency safety device, comprising:

15[a] a camera unit, adapted to obtain at least one of image data and audio data;

15[b] a location unit, adapted to obtain location data;

15[c] a transmitting unit, adapted to transmit the image data, the audio data, and the location data as emergency information to a specified location via text message, along with specific information including owner identification information; and

15[d] a panic button, adapted to activate the transmitting unit when activated,

15[e] wherein the panic button is activated by a button sequence.

As demonstrated below, Grounds 1A, 2, 3A, and 4A of the Petition fails to teach claim limitations 9[c], 9[d], 13[c], 13[d]. The Petition’s failures with respect to claims 9 and 13 are repeated for Ground 2, claim 15. Thus, Grounds 1A, 2, 3A, and 4A do not support institution because they fail to establish a reasonable likelihood that Petitioners would prevail in showing the unpatentability of the ’404 patent’s independent claims, and therefore also the claims which depend therefrom. 35 U.S.C. § 314(a). Accordingly, the Board should deny institution.

A. Ground 1A should be denied because the combination of references fails to teach transmitting “owner identification information” (claim limitation 9[c], 13[c])

Petitioners argue that *Walker* in view of *Kim* discloses claim limitations 9[c] and 13[c], which require transmitting emergency information along with specific information including “owner identification information.” Petition at 13. Specifically, the Petition points to *Walker*’s “device owner’s identity” as the relevant

disclosure and argues that a POSITA would have understood it to be the “owner identification information.” *Id.*

Even assuming that *Walker*’s device owner’s identity is equivalent to the ’404 patent’s owner identification information (which Patent Owner does not concede), the Petition does not establish that *Walker* discloses transmitting the device owner’s identity as required by the claim limitations. The Petition merely states that *Walker* “discloses creating a file linked with the ‘device owner’s identity.’” Petition at 13. While *Walker* does disclose that certain information is transmitted by the handheld device 1, such as the time displayed by handheld device 1, there is no indication in *Walker* that information identifying the device owner is also transmitted. *See* Ex. 1007 at [0097]. *Walker* merely acknowledges that “[a] database link between each file and the device owner’s identity or account is made” with no disclosure stating if and how any information identifying the device owner is transmitted in the first place.

Petitioners appear to recognize the deficiency in *Walker* and attempt to argue that, even if *Walker* does not disclose transmitting owner identification information, a POSITA would have found it obvious to modify *Walker* to do so. Petition at 13. In particular, the Petition asserts that “[a] POSITA would have had a reasonable expectation of success in modifying *Walker* to transmit information to identify the owner to accomplish *Walker*’s objectives because techniques for doing so were well-

known.” Petition at 14. The Petition also asserts that “a POSITA would have understood that, at a minimum, the device owner identity information was transmitted in parallel or close in time to the video, sound, and location data.” Petition at 14.

But Petitioners’ arguments are not supported by *Walker*’s disclosure and are conclusory in nature. Petitioners cite to portions of their expert’s declaration as support for their arguments. Petition at 14. However, the cited portions of the expert declaration merely parrot Petitioners’ flawed logic. *See* Ex. 1002 at ¶¶ 95–97. Nothing in the cited portions of *Walker* actually support Petitioners’ conclusory statements. Therefore, Petitioners have failed to establish that *Walker* discloses transmitting owner identification information as required by the claim limitations.

Accordingly, the Petition fails to establish a reasonable likelihood that Petitioners would prevail in showing the unpatentability of independent claims 9 and 13.

B. Ground 1A should also be denied because the combination of references fails to teach “send the emergency information and the specific information to a specified location” (claim limitation 9[d], 13[d])

Petitioners argue that *Walker* in combination with *Kim* discloses or suggests “send[ing] the emergency information and the specific information to a specified location.” Petition at 21–23. However, for the reasons set forth below, Petitioners

fail to establish that *Walker* and/or *Kim* actually disclose transmitting information “to a specified location” as required by the claim limitations.

The ’404 patent discloses that the invention can choose the specified location to send data to using a variety of communication protocols. *See e.g.*, Ex. 1001 at 6:20–53. For example, the ’404 patent discloses that the user can choose to send the emergency information and specific information via e-mail directly to a single e-mail address, or multiple e-mail addresses. *Id.* at 6:28–35 (“MMS implementations also support e-mail addressing, so that the device can send emails directly to an e-mail address), 6:46–47 (“As one example, image data can be sent through regular e-mail to a dispatching center and then to a police station”).

Alternatively, the user could choose to send the emergency information and specific information to a web service using TCP/IP connections on the mobile device. *Id.* at 6:20–25. In a third example, the ’404 patent discloses that the user could choose to transmit the emergency information and specific information directly to an emergency responder via the e-911 protocol. *Id.* at 6:54–7:7. In other words, the ’404 patent discloses that the user can choose the specific location that the emergency information and specific information is sent to, and that different protocols can be used to transmit the data to that specified location.

By contrast, the cited portions of *Walker* do not allow the user of a mobile device to specify a location to transmit data. Petitioners assert that claim 86 of

Walker discloses that emergency information is transmitted to a specified location. Petition at 22. However, an inspection of claim 86 shows that this is not the case. Claim 86 of *Walker* discloses “wherein said handheld device transmits said data to said data storage facility through a dialup connection or by email or by email attachment or by an electronic messaging service.” While claim 86 mentions various methods to transmit data, it requires that data be sent to the data storage facility and does not allow any flexibility to choose an alternate location. Ex. 1007 at claim 86; Petition at 22.

Petitioners also cite to paragraphs [0084], [0085], and [0134] of *Walker* to show that emergency data is transmitted “to a specified location,” but these disclosures fail for the same reasons as *Walker* claim 86. For example, the text of paragraphs [0084], [0085], and [0134] of *Walker* is shown below:

[0084] The following details the preferred embodiment of the ***data recording and storage facility 7***:

[0085] Computerised automatic digital data recording equipment fully compatible with the 3G handheld mobile communications device transmissions, embedded within a cellular network architecture and accessible through one or more IP addresses or email addresses or other such electronic domains, and/or through one or more dialup telephone numbers and/or through one or more internet or intranet websites, such equipment capable of receiving and organising mission critical packet data transmissions and communications according to timeline data, from a plurality of handheld devices 1, and configured within the architecture to communicate with such handheld devices and to receive, organize according to timeline data, record, store and log all mission critical data and communications transmissions in real

time from such handheld devices into a database or databases against device ID's or user accounts.

[0134] In another embodiment of the invention the handheld device 1 transmits recorded data *to the data storage facility 7* through a dialup connection or by email or by email attachment or by an electronic messaging service.

Ex. 1007 at [0084], [0085], and [0134] (emphasis added).

Petitioners argue that *Walker*'s disclosure of messaging services in these paragraphs, such as dialup or email, is enough for a POSITA to understand that a location must have been specified or selected. Petition at 22. But Petitioners' argument is based on their expert's declaration and is not supported by *Walker* itself. In fact, paragraphs [0084], [0085], and [0134] of *Walker* show that there is no flexibility to specify a location at all. Rather, *Walker* repeatedly emphasizes that data must be transmitted, whether through dialup or email, to data storage facility 7. Nowhere does *Walker* state or contemplate that data storage facility 7 can be different locations, or that a user can select a specific data storage facility.

The Petition also argues that *Walker* discloses transmitting to a specified location because *Walker* does not broadcast data. Petition at 22. Again, this argument is not supported by *Walker* and is a red herring. As discussed above, the portions of *Walker* that Petitioners' expert relies on (e.g., paragraphs [0084], [0085], and [00134]) show that data can only be transmitted to data storage facility 7 and that there is no option to specify or select other locations. The fact that *Walker* does

not broadcast data does not mean that *Walker* discloses transmitting to a specified location. Accordingly, the Petition fails to establish a reasonable likelihood that Petitioners would prevail in showing the unpatentability of independent claim 9 and 13.

C. Ground 2 should be denied for the same reasons as Ground 1A

Ground 2 addresses the remaining independent claim (claim 15) using the same primary reference *Walker* and applies the same faulty logic as used in Ground 1A.

Petitioners assert that the same arguments presented in claim 9 can be applied to claim 15. As can be seen from the below table, the relevant claim limitations in Ground 1A, limitations 9[c] and 9[d], include nearly the same elements as limitations 15[c] and 15[d].

9[c] a transmitting unit, adapted to transmit as emergency information the image data, the audio data, and the location data along with specific information including owner identification information; and	15[c] a transmitting unit, adapted to transmit the image data, the audio data, and the location data as emergency information to a specified location via text message, along with specific information including owner identification information; and
9[d] a panic button, adapted to activate the camera unit, the location unit, and the transmitting unit, and send the emergency information and the specific information to a specified location when the panic button is activated,	15[d] a panic button, adapted to activate the transmitting unit when activated,

Petitioners recognize this, stating that “[l]imitation 15[c] is the same as limitation 9[c] except that 15[c] further requires that the transmitting unit is adapted to transmit data and information to a ‘specified location via text message.’ *Walker* discloses or suggests limitation 9[c] for the same reasons discussed above in §VIII.A.1.d.” Petition at 32. Regarding the “specified location,” the Petition repeats the same argument presented in connection with limitation 9[d]. *Compare* Petition at 32 (“a POSITA would have understood *Walker* to disclose or suggest transmitting the data and information to a specified location”) *with id.* at 23 (“Thus, a POSITA would have understood *Walker* to disclose sending the data and information to a specified location.”).

Accordingly, for the same reasons as discussed above with respect to Ground 1A regarding limitations 9[c] and 9[d], Ground 2 also fails to establish a reasonable likelihood that Petitioners would prevail in showing the unpatentability of independent claim 15.

D. Ground 3A should be denied because the combination of references fails to teach “send the emergency information and the specific information to a specified location when the panic button is activated” (claim limitation 9[d], 13[d])

Petitioners argue that *Zellner* in combination with *Kim* discloses or suggests “send[ing] the emergency information and the specific information to a specified location when the panic button is activated.” Petition at 46–47. However, for the reasons set forth below, Petitioners fail to establish that *Zellner* and/or *Kim* disclose

sending emergency information, including image data, audio data, location data, and specific information to a specified location when the panic button is activated as required by the claim limitations.

Claims 9 and 13 require that the sent emergency information include image data, audio data, and location data. *See* Ex. 1001 at claims 9, 13. The '404 patent clarifies that pressing the panic button acts as a catalyst triggering the collection and transmission of the relevant emergency information. *Id.* at 7:16–18 (“For example, a panic button can trigger the image/audio data and location information being obtained.”); *id.* at 7:8–13 (“In one example, pushing a ‘panic button’ on the mobile phone/device of the present invention can result in a still image or moving video being taken, as well as an audio recording being obtained. The present invention then wraps the data up and transmits it to an emergency service with the x-y coordinates.”). Therefore, the '404 patent contemplates that image data, audio data, and location data are collected and transmitted at the same time and together in response to a user of the mobile device pressing the panic button.

To the extent that *Zellner* discloses transmitting image data, audio data, and location data, the Petition does not establish that the image data, audio data, and location data are collected and transmitted at the same time and together, such as when a panic button is pressed. While Petitioners cite to portions of *Zellner* in support of this premise (*see* Petition at 40–41), the cited portions of *Zellner* do not

disclose transmitting location data once the location unit is activated upon pressing the panic button.

For example, Petitioners cite to Claim 3 of *Zellner*, which discloses “wherein the user location identifier is configured to ascertain a location of the user activating said panic button.” Claim 3 of *Zellner* merely acknowledges ascertaining the location of the user and does not disclose actually transmitting the location information upon activating the panic button. Petitioners also cite to a passage from column 14 of *Zellner*, which discloses “the user’s location may be transmitted along with the emergency help request message to the ESC 12.” Petition at 40; Ex. 1008 at 14:25–36. However, the cited portion of *Zellner* does not disclose that the user’s location is collected and transmitted upon activation of the panic button, just that the location is transmitted at some point. It is not enough to note that *Zellner* ascertains the user’s location and transmits it at some point. The claims of the ’404 patent, such as claims 9 and 13, require sending such information to a specified location specifically when the panic button is pressed. *See* Ex. 1001 at claims 9, 13. There is simply no support in *Zellner* disclosing such a limitation. Accordingly, Ground 3A fails to establish a reasonable likelihood that Petitioners would prevail in showing the unpatentability of independent claims 9 and 13.

E. Ground 4A should be denied because the combination of references fails to teach “send the emergency information and the specific

information to a specified location when the panic button is activated” (claim limitation 9[d], 13[d])

Petitioners argue that *Martin* in combination with *Kim* discloses or suggests “send[ing] the emergency information and the specific information to a specified location when the panic button is activated.” Petition at 61–63. However, for the reasons set forth below, Petitioners fail to establish that *Martin* and/or *Kim* actually disclose sending emergency information, including image data, audio data, location data, and specific information to a specified location when the panic button is activated, as required by the claim limitations.

Claims 9 and 13 require that the sent emergency information include image data, audio data, and location data. Ex. 1001 at claims 9, 13. As explained in § III.D of patent owner’s preliminary response, the ’404 patent discloses that relevant emergency information, such as image data, audio data, and location data are collected and transmitted at the same time and together in response to a user of the safety device pressing the panic button. *See supra* Section III.D.

To the extent that *Martin* discloses transmitting image data, audio data, and location data, the Petition does not establish that the image data, audio data, and location data are collected and transmitted at the same time and together, such as when a panic button is pressed. For example, Petitioners rely heavily on Figure 3 of *Martin* to show that emergency information is transmitted once a keystroke sequence is entered. *See* Petition at 61-62. However, Figure 3 (and the rest of *Martin*) is clear

that certain information, such as location information and images, are transmitted sequentially rather than at the same time together. Figure 3 of *Martin* is reproduced below:

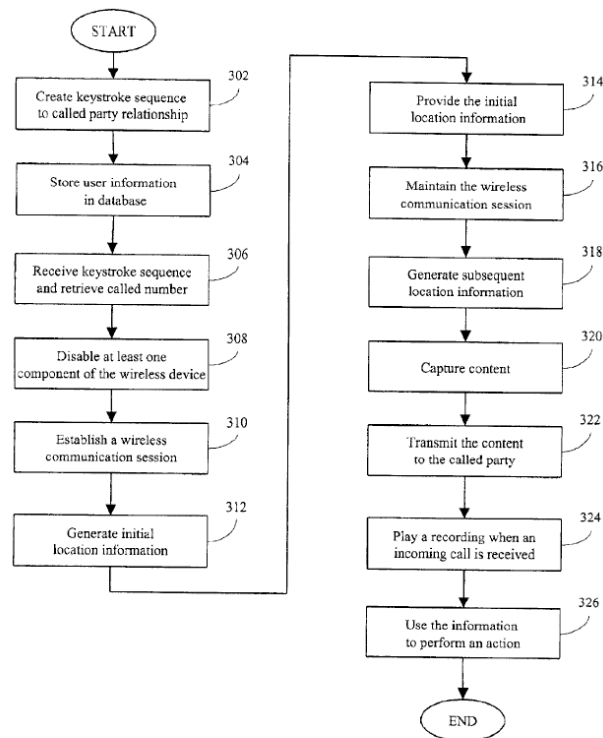


Figure 3

Ex. 1009 at Fig. 3.

Martin discloses that receiving a specific keystroke sequence (step 306) initiates a series of subsequent steps. *See generally* Ex. 1009 at Fig. 3, *id.* at 4:64-6:2. Specifically, *Martin* discloses generating initial location information (step 312) and then providing the generated location information to a called party (step 314). *See id.* at 5:4-14; Fig. 3. Content surrounding the wireless device is then captured (step 320). *Id.* at 5:39-47; Fig. 3. *Martin* discloses that the “content surrounding the

wireless device” “*can be* transmitted” in step 322, not that it is necessarily transmitted. *Id.* at 5:39-47 (emphasis added). *Martin* therefore discloses that if the captured content (e.g., images and sound) are sent, they are sent in a separate message from, and at a different time than, the location information.

While the Petition cites to such portions of *Martin* and asserts that emergency information is generally collected and transmitted at some point, this does not satisfy the limitations of the ’404 patent. *See* Petition at 61–62. The ’404 patent requires that emergency information, such as location information, image data, and audio data, are collected and transmitted at the same time. *See supra* Section III.D; *see* Ex. 1001 at claims 9, 13. Petitioners do not assert that *Martin* makes such a disclosure, and *Martin* itself does not disclose such a limitation.

Accordingly, the Petition fails to establish a reasonable likelihood that Petitioners would prevail in showing the unpatentability of independent claims 9 and 13.

F. Grounds 1B, 3B, and 4B do not address any independent claims

Grounds 1B, 3B, and 4B each only address dependent claim 14. Accordingly, they do not remedy the deficiencies in Petitioners’ arguments, as described above with respect to Grounds 1A, 2, 3A, and 4A.

G. The Board should use its discretion and deny institution under the *Fintiv* factors

Efficiency, fairness, integrity of the system, and the merits support the Board’s exercise of its discretionary denial authority under 35 U.S.C. § 314(a). Seeking to minimize duplication of work, the Board has set forth a set of nonexclusive factors for determining whether to deny a petition in view of parallel litigation (i.e., the “*Fintiv* factors”). *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper No. 11 (P.T.A. B. March 20, 2020) (“*Fintiv I*”). As explained in detail below, the *Fintiv* factors weigh heavily in favor of discretionary denial in this case.

1. Fintiv Factor 1: The district courts have not granted a stay

Patent Owner agrees with Petitioners that this factor is neutral because no motion to stay has been granted, so the Board should not infer the outcome of such a motion. *Sand Revolution II LLC v. Continental Intermodal Group – Trucking LLC*, IPR2019-01393, Paper No. 24 at 7 (P.T.A.B. June 16, 2020) (informative).

2. Fintiv Factor 2: The Samsung trial is expected to take place approximately two months before the projected statutory deadline for a final written decision

Fintiv factor 2 weighs heavily against institution because trial is set to occur approximately 2 months before the projected statutory deadline for a final written decision. The projected statutory deadline for a final written decision in this IPR is around May 2025. Jury selection for the Samsung trial is currently scheduled for March 3, 2025. Thus, the district court trial is set to occur approximately 2 months

before the projected statutory deadline for a final written decision. This weighs heavily against institution. *See Fintiv I*, IPR2020-00019, Paper No. 11 at 9 (“If the court’s trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution under NHK.”).

Petitioners assert that this factor should be neutral or weigh at most minimally in favor of denial because the time between the currently scheduled trial date and expected deadline for a final written decision is approximately two months. Petition at 68–69. However, Petitioners fail to acknowledge that the Board has denied institution on account of similar, or even smaller, gaps between the final written decision and trial. *See, e.g., EClinicalWorks, LLC v. Decapolis LLC*, IPR2022-00229, Paper No. 10 at 9 (P.T.A.B. Apr. 13, 2022) (finding this factor weighed in favor of discretionary denial and denying institution where “the beginning of the jury trial in the WDTX Cases is roughly *one or two months* before any final decision would have been due had *inter partes review* been instituted”) (emphasis added); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper No. 15 at 13 (P.T.A.B. May 13, 2020) (informative) (finding this factor weighed in favor of discretionary denial and denying institution where the district court trial was scheduled to occur *two months* before the deadline for the Board to reach a final written decision) (emphasis added).

3. Fintiv Factor 3: The parties will have invested significant resources in at least the Samsung trial

Fintiv factor 3, which considers the resources invested in the parallel district court proceeding, weighs in favor of the Board’s exercising its discretionary denial authority. Petitioners wrongly limit their analysis of the parties’ investment in the district court proceedings to the stage of those proceedings at the time the petition was filed. Petition at 69. However, *Fintiv* dictates that the proper timeframe for this factor is the investment in the parallel proceeding at the time of the institution decision. *Fintiv I*, IPR2020-00019, Paper No. 11 at 9–10. The institution decision in this proceeding is expected by May 22, 2024.

By May 2024, the parties will have expended significant resources in the district court proceeding. The parties have already exchanged infringement and invalidity contentions for the ’404 patent. Fact discovery has already begun under the district court’s schedule and will conclude October 1, 2024, approximately 3.5 months after the institution decision is projected to be issued in this case. Furthermore, the parties will have to begin the claim construction process and exchange preliminary claim constructions by May 2024.

Accordingly, because the parties will have expended significant resources by the time the Board issues an institution decision in this case, this factor weighs against institution.

4. Fintiv Factor 4: The issues in the petition and district court proceeding significantly overlap

Fintiv factor 4 at best marginally favors not exercising discretion to deny institution because the issues in the Petition and the parallel district court proceeding overlap and while Petitioners have provided a stipulation regarding the estoppel effects of this proceeding in the district court proceeding, Petitioners have not provided a *Sotera*-style stipulation.

Fintiv Factor 4 considers the overlap between issues raised in the petition and in the parallel proceeding. *Fintiv I*, IPR2020-00019, Paper No. 11 at 6. The prior art Petitioners assert in its petition is identical to prior art being litigated to trial in the Samsung case. In an attempt to address the redundancy of this proceeding, Petitioners provide only a limited stipulation, rather than a *Sotera*-style stipulation, stating they will not rely on the same prior art in the district court. Petition at 69–70. The PTAB has previously held that, at most, narrower stipulations weigh only “marginally in favor of not exercising discretion to deny institution.” *Sand Revolution II*, IPR2019-01393, Paper No. 24 at 9–10. Accordingly, based on Petitioners’ *Sand Revolution*-style stipulation, this factor only marginally favors not exercising discretion to deny institution.

5. Fintiv Factor 5: Petitioners are defendants in the district court proceeding

Fintiv factor 5 favors denial of institution because Petitioners are defendants in the parallel district court proceedings. *Fintiv* factor 5 considers whether the petitioners and the defendants in the parallel proceeding are the same party. *Fintiv*

I, IPR2020-00019, Paper No. 11 at 6. Petitioners are defendants in the case in which Patent Owner asserts infringement of the '404 patent. Thus, Factor 5 weighs in favor of denial.

Petitioners argue that even if the same parties are involved in the parallel litigation, this factor should be neutral when the expected deadline for a final written decision is estimated to be close in time to the district court trial date. Petition at 70. Petitioners' argument is contrary to numerous Board decisions. For example, in *Nokia*, the Board unequivocally held that "Petitioner is the defendant in the parallel proceeding. Thus, this factor weighs in favor of exercising our discretion to deny the Petition." *Nokia of America Corporation et al. v. Godo Kaisha IP Bridge 1*, IPR2022-00755, Paper No. 9 at 13.

Furthermore, Petitioners' argument that this factor should be neutral despite having the same parties in the parallel district court proceeding fails a simple logic test. If Petitioners' argument were true, then this factor could *never* favor denial. Factors by their very nature lie along a scale of: weighing in favor, being neutral, or weighing against. Petitioners would have this Board remove this factor's ability to weigh in favor of patent owners entirely and only provide benefits to petitioners. Such a determination is contrary to the very nature of factors, is bad public policy, and likely only a power available to the Director.

For all the reasons above, *Fintiv* factor 5 favors denial of institution.

6. Fintiv Factor 6: Petitioners’ grounds do not rise to the level of “compelling evidence of unpatentability”

Factor 6 weighs against institution because, as shown above, the merits of the petition are weak and include numerous deficiencies, which cannot meet the high compelling merits standard needed to overcome *Fintiv* factors 1–5 strongly favoring denial of institution.

To meet the standard for a compelling unpatentability challenge, the Petition must present challenges “in which the evidence, if unrebutted in trial, would plainly lead to a conclusion that one or more claims are unpatentable by a preponderance of the evidence.” *Commscope Techs. LLC v. Dali Wireless, Inc.*, IPR2022-01242, Paper No. 23 at 3 (P.T.A.B. Feb. 27, 2023) (citing Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation at 4. (June 21, 2022) (“Guidance Memo”).) “[T]he compelling merits standard is a higher standard than the standard for institution set by statute.” *Commscope Techs.*, IPR2022-01242, Paper No. 23 at 3 (citing Guidance Memo at 4–5). Under the compelling merits standard, “[a] challenge can only ‘plainly lead to a conclusion that one or more claims are unpatentable’ if it is *highly likely* that the petitioner would prevail with respect to at least one challenged claim.” *Id.* at 3–4 (quoting *OpenSky Indus., LLC v. VLSI Tech. LLC*, IPR2021-01064, Paper No. 102 at 49–50 (P.T.A.B. Oct. 4, 2022) (precedential)) (emphasis added).

The compelling merits determination does not replace a *Fintiv* analysis; rather, “PTAB panels ... only consider compelling merits if they first determine[] that *Fintiv* factors 1-5 favor[] a discretionary denial.” *Commscope Techs, LLC*, IPR2022-01242, Paper No. 23 at 4 (P.T.A.B. Feb. 27, 2023). Where the Board finds compelling merits, it “must provide reasoning to explain and support its determination as to compelling merits sufficient to allow the parties to challenge that finding and sufficient to allow for review of that decision.” *Id.* at 5–6. Here, *Fintiv* Factors 1–5 plainly favor discretionary denial thus requiring Petitioners to show compelling merits, which they cannot do.

As discussed above, Petitioners’ prior art grounds contain critical deficiencies and do not demonstrate a reasonable likelihood of—let alone plainly lead to—a conclusion that at least one claim is unpatentable. *See supra* Sections III.A–F.

In sum, one factor (2) weighs strongly in favor of discretionary denial and three factors (3, 5, and 6) weigh in favor of discretionary denial, whereas one factor (1) is neutral and one factor (4) only marginally favors not exercising discretion to deny institution. Accordingly, Patent Owner respectfully requests that the Board exercise its discretion and deny institution.

IV. Conclusion

As discussed above, Petitioners have failed to establish a reasonable likelihood they will prevail in showing the unpatentability of the challenged claims. Accordingly, the Board should deny institution.

Date: February 22, 2024

Respectfully submitted,

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CERTIFICATION UNDER 37 C.F.R. § 42.24

Under the provisions of 37 C.F.R. § 42.24, the undersigned hereby certifies that the foregoing document contains 5,694 words, and thus complies with the word-count limits of 37 C.F.R. § 42.24.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing PATENT OWNER'S PRELIMINARY RESPONSE was served on February 22, 2024 by filing this document through the P-TACTS platform as well as by delivering a copy via the delivery method indicated to the attorneys of record for the Petitioners as follows:

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