

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., LTD.,
Petitioner,

v.

ADVANCED CODING TECHNOLOGIES, LLC,
Patent Owner.

IPR2024-00327
Patent 9,986,303 B2

Before BART A. GERSTENBLITH, NATHAN A. ENGELS, and
JASON M. REPKO, *Administrative Patent Judges*.

ENGELS, *Administrative Patent Judge*.

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

I. INTRODUCTION

Samsung Electronics Co., Ltd. (“Petitioner”) filed a Petition (Paper 2 (“Pet.”)), seeking *inter partes* review of claims 1 and 2 (the “challenged claims”) of U.S. Patent No. 9,986,303 B2 (Ex. 1001 (“the ’303 patent”)). See Pet. 1. Advanced Coding Technologies, LLC (“Patent Owner”) filed a Preliminary Response. Paper 6 (“Prelim. Resp.”). With the Board’s authorization (Paper 8), Petitioner filed a Preliminary Reply (Paper 9) and Patent Owner filed a Preliminary Sur-reply (Paper 10).

Institution of an *inter partes* review is authorized by statute when “the information presented in the petition . . . and any 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.” 35 U.S.C. § 314(a); see 37 C.F.R. § 42.108. Upon consideration of the evidence currently of record, we conclude that the information presented shows that there is a reasonable likelihood that Petitioner would prevail in establishing the unpatentability of at least one challenged claim of the ’303 patent.

A. *Related Matters*

The parties indicate that the ’303 patent is the subject of *Advanced Coding Technologies LLC v. Samsung Electronics Co.*, 2:22-cv-00499-JRG (E.D. Tex.). Pet. 77; Paper 5, 2.

B. *Real Parties-in-Interest*

Petitioner identifies itself and Samsung Electronics America, Inc. as real parties-in-interest. Pet. 77. Patent Owner identifies itself as the real party-in-interest. Paper 5, 2.

C. The '303 Patent (Ex. 1001)

The '303 patent relates to “a video image coding data transmission technology and, more particularly, to a video image coding data transmission technology for transmitting video image coding data in real time.” Ex. 1001, 1:18–21. The '303 patent describes different embodiments, some of which include setting a transmission structure of a video image based on the transmission rate and a prediction structure that indicates a reference relationship of each picture of the video image. Ex. 1001, 3:58–63. In at least some embodiments, “[t]he transmission structure of the video image includes a basic hierarchy and a supplementary hierarchy. A basic hierarchy is a hierarchy for transmitting an overview video image, and a supplementary hierarchy is a hierarchy for transmitting an extension video image.” Ex. 1001, 3:63–67. In some embodiments, the ratio of the basic hierarchy and the supplementary hierarchy is set according to the transmission rate. Ex. 1001, 4:2–3. “Alternatively, the predictive transmission structure setting unit 100 may set the ratio of the basic hierarchy and the supplementary hierarchy to be a default value or a designated value regardless of the transmission rate.” Ex. 1001, 4:4–7.

D. Challenged Claims

Petitioner challenges claims 1 and 2 of the '303 patent. Pet. 1. Each of claims 1 and 2 is independent. Claim 1 is illustrative of the challenged claims and is reproduced below with Petitioner’s labeling added.

[1.p] A video image coding data receiver comprising:
[1.1] a processor; and
[1.2] a memory unit having instructions stored which,
when executed by the processor, cause the processor to perform
operations comprising:

- [1.3] receiving basic video image coding data;
- [1.4] decoding the received basic video image coding data so as to reproduce a video image;
- [1.5.1] receiving supplementary video image coding data including a supplementary hierarchical picture [1.5.2] whose coding order and display order are earlier by a factor of a group of pictures including an intra coded picture and a plurality of inter prediction coded pictures than those of a basic hierarchical picture included in the basic video image coding data, [1.5.3] a basic hierarchy and a supplementary hierarchy being set in units of the group of pictures;
- [1.6] acquiring basic video image coding data received before supplementary video image coding data that has been received at the moment; and
- [1.7] reconstructing video image coding data from the basic video image coding data and the supplementary video image coding data.

Ex. 1001, 18:38–60.

E. The Alleged Grounds of Unpatentability

Petitioner asserts the following grounds of unpatentability (Pet. 2):

Claim(s) Challenged	35 U.S.C. §	Reference(s)/Basis
1, 2	103 ¹	Demircin ²
1	103	Kimoto, ³ Demircin

Petitioner also cites the Declaration of Clifford Reader, Ph.D. in support of the Petition. Ex. 1003.

¹ Because the '303 patent issued from an application filed after March 16, 2013, the effective date of the amendment to 35 U.S.C. § 103 enacted by the Leahy-Smith America Invents Act ("AIA"), we apply the AIA version of this section. *See* AIA, Pub. L. No. 112–29, § 3(n)(1), 125 Stat. 284, 293 (2011).

² US Patent Publ. No. 2008/0181302 A1; published July 31, 2008. Ex. 1005.

³ US Patent Publ. No. 2011/0211631 A1; published Sept. 1, 2011. Ex. 1007.

II. ANALYSIS

A. *Legal Standards*

Petitioner bears the burden to demonstrate unpatentability, and that burden never shifts to Patent Owner. *Dynamic Drinkware, LLC v. Nat'l Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015).

A claim is unpatentable for obviousness if “the differences between the subject matter sought to be patented 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.” 35 U.S.C. § 103; *see also 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. of Kan. City*, 383 U.S. 1, 17–18 (1966).

B. *Level of Ordinary Skill in the Art*

Petitioner asserts that a person of ordinary skill in the art “would have had at least a bachelor’s degree in computer science, electrical engineering, computer engineering, or a related field, with 2–3 years of experience in digital video processing, or a related field” and “[a]dditional graduate education could substitute for professional experience, and *vice versa*.” Pet. 3. Patent Owner states that it uses Petitioner’s proposed level of skill for the purposes of its Preliminary Response. Prelim. Resp. 23.

⁴ The parties have not directed our attention to any objective evidence of nonobviousness.

At this stage, we apply Petitioner’s articulation of the level of ordinary skill in the art.

C. Claim Construction

We apply the same claim construction standard used in district court actions under 35 U.S.C. § 282(b), namely that articulated in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005) (en banc). *See* 37 C.F.R. § 42.100(b) (2021). In applying that standard, claim terms generally are given their ordinary and customary 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*, 415 F.3d at 1312–13. “In determining the meaning of [a] disputed claim limitation, we look principally to the intrinsic evidence of record, examining the claim language itself, the written description, and the prosecution history, if in evidence.” *DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 469 F.3d 1005, 1014 (Fed. Cir. 2006) (citing *Phillips*, 415 F.3d at 1312–17).

The Petition states that no claim terms require construction, but Patent Owner states that in the parties’ district-court litigation, Petitioner proposed constructions of “a factor of a group of pictures”⁵ and “reconstructing video image coding data from the basic video image coding data and the supplemental video image coding data.” Prelim. Resp. 12–13. Patent Owner states that, in the district court litigation, the parties agreed that “reconstructing video image coding data from the basic video image coding data and the supplemental video image coding data” means “rearranging

⁵ Patent Owner states that it “does not address the ‘a factor of a group of pictures’ term as it has no bearing on the Petition.” Prelim. Resp. 13, n1. Petitioner also does not address the term’s construction.

basic video image coding data with supplementary video image coding data.” Prelim. Resp. 13 (citing Ex. 2003, 2).

Patent Owner’s arguments also reflect that “basic video image coding data” and “supplementary video image coding data” require a “relationship to each other” such that “basic video image coding data corresponds to a higher quality and higher transmission rate than supplementary video image coding data.” Prelim. Resp. 2; *see* Prelim. Resp. 4–8, 17–22, 26–28; Prelim. Sur-reply 1. Further, Patent Owner states that “the claimed ‘supplementary video image coding data’ is separate from ‘basic video image coding data’ and therefore is incompatible with having a base layer corresponding to the same picture, let alone being added to provide greater video quality when added to the base layer.” Prelim. Resp. 28.

In its Preliminary Reply, Petitioner contends Patent Owner mischaracterizes the “basic video image coding data” and “supplementary video image coding data” portions of the parties’ district-court construction. Prelim. Reply 1. Specifically, Petitioner contends that “[w]hile the ’303 [p]atent describes certain embodiments consistent with [Patent Owner’s] position,” Patent Owner’s interpretation of those phrases would exclude an embodiment from the ’303 patent’s Specification in which “video image coding data can be reconstructed from the basic hierarchical coding data and the supplementary hierarchical coding data after the supplementary hierarchical coding data is received so as to view a color video image.” Prelim. Reply 1–2 (emphases omitted) (quoting Ex. 1001, 15:35–48). According to Petitioner, “[u]nlike embodiments highlighted in [Patent Owner’s Preliminary Response] in which the supplementary data provides pictures that are temporally separate and interleaved with pictures in the

basic data to increase the frame rate, the embodiment described at col. 15:35–48 confirms that this type of separation is *not required* and supplementary data *can* in fact be applied to improve the quality of pictures in the basic data.” Prelim. Reply 2–3. Petitioner also contends that the Specification “explains that *supplementary* data is transmitted when the transmission rate is *higher* than necessary for transmission of basic data, and thus [Patent Owner]’s assertion that basic data necessarily corresponds to a higher transmission rate cannot be correct.” Prelim. Reply 3 (citing Ex. 1001, 4:39–42, 9:3–7, 11:56–60, Fig. 5).

Patent Owner contends in its Preliminary Sur-reply that all embodiments covered by claims 1 and 2 are consistent with Patent Owner’s position that “basic video image coding data corresponds to the highest quality of pictures while supplementary video image coding data corresponds to a separate lower quality of pictures.” Prelim. Sur-reply 1. Patent Owner contends that Petitioner’s reliance on the Specification’s “Exemplary Variation of Third Embodiment” ignores prosecution history showing that that embodiment was claimed in a now-canceled claim during prosecution, not in claims 1 or 2 of the ’303 patent. Prelim. Sur-reply 1–2 (citing Ex. 1002, 51). Patent Owner also argues that the concepts of brightness and color in that embodiment are independent concepts, both of which are necessary for proper video image display such that both must be displayed simultaneously instead of displayed in a different order. Prelim. Sur-reply 2–3. Further, Patent Owner argues that the Specification shows that supplementary video image coding data is only transmitted in lower transmission rates. Prelim. Sur-reply 3–4 (citing Ex. 1001, 9:3–7; Fig. 5); *see* Prelim. Resp. 17–18. Finally, Patent Owner argues Petitioner’s citations

“to Demircin’s enhancement/Kimoto’s upper layer relating to temporal, [signal-to-noise ratio (SNR)], or spatial scalability, are ***not separate and are dependent*** upon each of Demircin’s base/Kimoto’s lower layer.” Prelim. Sur-reply 4 (citing Prelim. Reply 4).

At this stage and on the current record, we do not understand the challenged claims to be limited by the embodiments cited by Patent Owner. Nothing in the claim language itself ties the claims to those embodiments, and we disagree with Patent Owner’s suggestion that the prosecution history limits the claims to certain embodiments. *See* Prelim. Sur-reply 1–2 (citing Ex. 1002, 51, 73–74, 95). Contrary to Patent Owner’s arguments, the previously pending claim 7 in the prosecution history evidences a broader understanding of the terms “basic hierarchy” and “supplemental hierarchy” to include, respectively, “a luminance component” and “a color difference component.” Ex. 1002, 51. That a claim reciting those components was canceled does not in and of itself exclude those components from claims 1 and 2 nor otherwise narrow the claim terms.

Similarly, on the current record, we do not understand the Specification to limit the claim language to only certain embodiments. First, the Specification expressly describes transmitting a luminance component as basic hierarchical coding data and transmitting first and second color difference components as supplementary hierarchical coding data such that “video image coding data can be reconstructed from the basic hierarchical coding data and the supplementary hierarchical coding data after the supplementary hierarchical coding data is received so as to view a color video image.” Ex. 1001, 15:39–48. Although this language is part of an “Exemplary Variation” of the third embodiment, we do not currently

understand the claim language to exclude this embodiment. Rather, on the current record, we understand the terms “basic video image coding data” and “supplemental image coding data” to be broad enough to cover this and other embodiments discussed in the Specification. To the extent that the parties continue to dispute the scope and meaning of these terms, the parties are encouraged to address them in future briefing.

D. Alleged Obviousness of Claims 1 and 2 Based on Demircin

Petitioner provides a limitation-by-limitation comparison of claims 1 and 2 to the teachings of Demircin. Pet. 13–50. We address Petitioner’s contentions and Patent Owner’s responsive arguments below.

1. Petitioner’s Contentions for Claim 1

- a. [1.p] A video image coding data receiver comprising:*
- b. [1.1] a processor; and*
- c. [1.2] a memory unit having instructions stored which, when executed by the processor, cause the processor to perform operations comprising:*
- d. [1.3] receiving basic video image coding data;*
- e. [1.4] decoding the received basic video image coding data so as to reproduce a video image;*

Petitioner contends Demircin discloses or renders obvious a video image coding data receiver in a video image coding transmission and reception system. Pet. 13 (citing Ex. 1003 ¶¶ 162–163). According to Petitioner, Demircin discloses or renders obvious a processor and memory unit configured to receive and decode video image coding data. Pet. 15–25. According to Petitioner, “Demircin discloses that the receiver receives network abstraction layer (NAL) units for base layer coding data (***basic video image coding data***) which were transmitted by a source/server (***video***

image coding data transmitter)." Pet. 17 (citing Ex. 1005 ¶¶ 129–131, Figs. 7, 8, 12; Ex. 1003 ¶ 169). Further, Petitioner states that Demircin describes "Scalable Video Coding (SVC)," which Petitioner states is an extension of the H.264/MPEG AVC video codec, and "[a] base layer provides a minimum level of video quality, and may provide compatibility with H.264/AVC." Pet. 17 (citing Ex. 1005 ¶¶ 22, 35). Petitioner states, "[l]ike the basic hierarchical pictures described in the '303 Patent, which are coded without reference to any pictures in the supplementary hierarchy, the pictures in Demircin's base layer 10 are coded without reference to any pictures in enhancement layers 11, 12." Pet. 18 (citing Ex. 1005 ¶¶ 35–36; Ex. 1001, 9:57–67; Ex. 1003 ¶ 171).

Petitioner contends that Demircin teaches that, depending on current network conditions, the transmitter will transmit and the receiver will receive, only the base layer NAL units for one or more video frames (*basic video image coding data*) to the exclusion of corresponding enhancement layer NAL units. Pet. 19 (citing Ex. 1005 ¶¶ 129–132, Figs. 7, 8, 12; Ex. 1003 ¶ 174). "In such instances, a [person of ordinary skill in the art] would have understood and it would have been obvious that the receiver would have reproduced the frames with a 'minimum level of video quality' by decoding only the base layer NAL units for those frames without the corresponding enhancement layer NAL units." Pet. 10–20 (citing Ex. 1005 ¶ 35; Ex. 1003 ¶ 174). According to Petitioner, a person of ordinary skill in the art "would have understood, and it would have been obvious, that the receiver (decoding device) only would have decoded base layer data for a frame, (i.e., without combining such base layer data with enhancement layer data) if the receiver has only received base layer NAL units for the frame by

the frame's decoding deadline to support streaming video.” Pet. 21 (citing Ex. 1005 ¶¶ 63, 105, Figs. 1–8, 12; Ex. 1003 ¶¶ 175–177).

- f. [1.5.1] receiving supplementary video image coding data including a supplementary hierarchical picture [1.5.2] whose coding order and display order are earlier by a factor of a group of pictures including an intra coded picture and a plurality of inter prediction coded pictures than those of a basic hierarchical picture included in the basic video image coding data, [1.5.3] a basic hierarchy and a supplementary hierarchy being set in units of the group of pictures;*

Petitioner contends Demircin discloses that its receiver receives NAL units for enhancement layer coding data (***supplementary video image coding data***), including enhancement layer NAL unit(s) for an individual frame or picture (***supplementary hierarchical picture***). Pet. 22 (citing Ex. 1005, Figs. 7, 8, 12, 13). According to Petitioner, in Demircin's SVC, one or more enhancement layers provide additional quality in an incremental manner, also known as progressive refinement. Pet. 23.

Petitioner also states, “[i]n the special case of temporal scalability, the pictures at temporal levels 1 and 2 in Demircin's both base layer 10 and enhancement layers 11, 12 are bi-directionally inter-predicted with reference to other pictures at lower temporal levels.” Pet. 24 (citing Ex. 1005 ¶¶ 35–36; Ex. 1003 ¶ 182; Ex. 1001, 11:22–36). “In this case, the pictures at temporal levels 1 and 2 in base layer 10 can alternatively provide ‘***supplementary video image coding data including a supplementary hierarchical picture***’ as recited in claim 1 and only the pictures at temporal level 0 in base layer 10 are characterized as ‘***basic video image coding data***’ including a basic hierarchical picture.” Pet. 24 (citing Ex. 1005 ¶¶ 35–36; Ex. 1003 ¶ 182).

With reference to Demircin's Figure 1, Petitioner states "[t]he I-frame within Demircin's [group of pictures (GOP)] is an '*intra coded picture*' and the series of three B-frames in the GOP constitutes '*a plurality of inter prediction coded pictures*' as recited in [1.5.2]." Pet. 25–26. Petitioner also contends Demircin discloses and renders obvious a supplementary hierarchical picture whose coding order and display order are earlier by a factor of a group of pictures including an intra-coded picture and a plurality of inter-predicted coded pictures than those of a basic hierarchical picture included in the basic video image coding data. Pet. 27–29 (citing Ex. 1005, Fig. 1; Ex. 1003 ¶¶ 186–187). Citing the '303 patent's Specification as describing embodiments in which the transmission of a supplementary hierarchical picture for a frame is delayed by a period of time relative to transmission of a basic hierarchical picture, Petitioner also contends that "Demircin discloses and renders obvious [1.5.2] and the features of claim 1 as a whole regardless of whether the receiver must receive the [supplementary hierarchical picture] after the [basic hierarchical picture]." Pet. 30 (citing Ex. 1003 ¶ 188), 33–40.

Regarding [1.5.3], Petitioner also contends that in each of Demircin's SNR and temporal scalability, the base layer and the enhancement layers are set in units of GOPs. Pet. 40–42 (citing Ex. 1005 ¶¶ 36, 37, 39, 43, 95, Fig. 1; Ex. 1015, 54).

- g. *[1.6] acquiring basic video image coding data received before supplementary video image coding data that has been received at the moment; and*
- h. *[1.7] reconstructing video image coding data from the basic video image coding data and the supplementary video image coding data.*

Petitioner contends Demircin describes “acquiring” actions similar to those disclosed in the ’303 patent’s Specification, as “Demircin teaches receiving base layer NAL units (*basic video image coding data*) at an earlier time, storing the base layer NAL units in memory (e.g., a buffer), later receiving enhancement layer NAL units (*supplementary video image coding data*) corresponding to the base layer NAL units stored in memory, acquiring the base layer NAL units from memory (e.g., the buffer), and reconstructing video image coding data using the stored and acquired base layer NAL units and the newly received enhancement layer NAL units.” Pet. 42–43, 45–46. Addressing the agreed construction from the parties’ district-court litigation, Petitioner contends “it is intuitive that Demircin . . . rearranges base layer data (*basic video image coding data*) with enhancement layer data (*supplementary video image coding data*) because Demircin discloses “Delayed NAL Unit Transmission” in which the transmissions of enhancement layer data for frames in a video sequence are delayed relative to the base layer data for those frames. Prelim. Reply 4–5. According to Petitioner, Demircin’s enhancement layer pictures are received out of order in substantially the same manner described in the ’303 patent, “thus requiring the receiver to store base layer pictures earlier received and to rearrange the order of the base layer pictures with the enhancement layer pictures to compensate for the delayed transmission of enhancement layer NAL units.” Prelim. Reply 5.

2. Patent Owner's Arguments Relating to Claim 1

Among other things, Patent Owner argues Demircin does not teach “basic video image coding data” or “supplementary video image coding data” as required by claim elements [1.3]–[1.7]. Prelim. Resp. 25–29. According to Patent Owner, Petitioner’s citation of Demircin’s base layer that provides a minimum level of video quality as the claimed “basic video image coding data” “directly contradicts the specification of the ’303 [p]atent, which describes basic video coding data as corresponding to a layer that contains the *highest* level of video quality and therefore [is] transmitted only [with] a sufficiently high bandwidth or transmission rate.” Prelim. Resp. 25–29. Patent Owner similarly argues that Demircin’s “enhancement layer coding data” cannot be the claimed “supplementary video image coding data” because the ’303 patent describes the recited “supplementary video image coding data” as comprising less data due to being comprised of more predictive pictures. Prelim. Resp. 27. Patent Owner further argues that Demircin’s enhancement layer pictures have corresponding base layer pictures to which they are added, but Patent Owner argues the claimed “supplementary video image coding data” is separate from the “basic video image coding data” and “therefore is incompatible with having a base layer corresponding to the same picture, let alone being added to provide greater video quality when added to the base layer.” Prelim. Resp. 28.

Patent Owner additionally argues Demircin fails to satisfy claim element [1.7] under the agreed construction from the parties’ district-court litigation. Prelim. Resp. 28–29. Patent Owner argues Demircin’s teachings of combining base layer and enhancement layer pictures is not “rearranging” as required by the agreed construction. Prelim. Resp. 29. Further, Patent

Owner argues “at best, Demircin’s ‘reconstruction’ or ‘rearrangement’ would include a sequence where each picture is a combination of both its base and enhancement layers or a sequence comprising a mix of base-layer-only pictures and a combination of both its base and enhancement layers.” Prelim. Sur-reply 5. “In other words,” Patent Owner argues, “there is no sequence including base-layer-only pictures and enhancement-[layer-only] pictures. Claims 1 and 2 require ‘[rearranging] video image coding data from the basic video image coding data and the supplementary video image coding data,’ meaning that a sequence of pictures includes *both basic and supplementary pictures*.” Prelim. Sur-reply 5.

3. Preliminary Analysis Regarding Claim 1

At this stage, we are persuaded by Petitioner’s contentions that the teachings of Demircin satisfy each limitation of claim 1. On the current record, we do not agree with Patent Owner’s arguments that Demircin does not satisfy the parties’ agreed construction. As cited by Petitioner (*see, e.g.*, Pet. 33, 43), Demircin teaches that when additional bandwidth becomes available, NAL units that were previously discarded or only partially transmitted may be transmitted in a delayed manner (Ex. 1005 ¶¶ 34, 104–128, Fig. 13, 14). We are currently persuaded that Demircin teaches or reasonably suggests that such delayed NAL units could be received out of order and would be rearranged, as claimed.

We do not currently understand the claims to require that “basic video coding data” has the highest level of video quality or that it is only transmitted with a sufficiently high transmission rate; the claims could have been written to reflect such concepts (*see* Ex. 1002, 50 (prosecution history reflecting then-pending claims reciting transmission rates, among other

things)), but we are not currently persuaded that such concepts should be read into the claims from the Specification. Similarly, for the reasons explained above, we do not currently understand the claims to require “basic video image coding data” that is “separate” from the “supplementary video image coding data.”

i. Conclusion for Claim 1

On the record currently before us and for the reasons discussed above, we determine that Petitioner has demonstrated a reasonable likelihood of prevailing in its challenge to claim 1 as being unpatentable in view of Demircin. Accordingly, we institute *inter partes* review of all claims on all grounds presented in the Petition.⁶ See *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1359–60 (2018); 37 C.F.R. § 42.108(a) (2023); Patent Trial and Appeal Board Consolidated Trial Practice Guide (Nov. 2019), 64.⁷

III. DISCRETIONARY DENIAL

Patent Owner argues that we should exercise our discretion to deny the Petition based on the parallel district court litigation. Prelim. Resp. 33–39 (citing *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 6 (PTAB Mar. 20, 2020) (precedential)). Petitioner, however, presented a *Sotera* stipulation.⁸ Pet. 76 (citing Ex. 1029). Thus, we do not exercise our discretion to deny institution here. See Katherine K. Vidal, Interim

⁶ At this stage, Patent Owner relies on essentially the same arguments against Petitioner’s challenge to claim 2 based on Demircin and Petitioner’s challenge to claim 1 based on the combination of Demircin and Kimoto as those addressed above regarding claim 1.

⁷ Available at www.uspto.gov/sites/default/files/documents/tpgnov.pdf.

⁸ See *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 19 (PTAB Dec. 1, 2020) (precedential).

Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation (June 21, 2022) (“Consistent with [*Sotera*], 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.”).⁹

IV. CONCLUSION

Based on the current record, we determine Petitioner has shown a reasonable likelihood of prevailing with respect to at least one claim of the ’303 patent. Accordingly, we institute *inter partes* review of all claims challenged on all of the grounds in the Petition.

V. ORDER

Accordingly, it is:

ORDERED that pursuant to 35 U.S.C. § 314, an *inter partes* review is hereby instituted as to claims 1 and 2 of the ’303 patent based on the unpatentability challenges presented 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 commencing on the entry date of this Decision.

⁹ Available at https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621.pdf.

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