Paper No. 8

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

v.

CERENCE OPERATING COMPANY,
Patent Owner.

Case No. IPR2024-00979
U.S. Patent No. 8,081,993

PATENT OWNER'S PRELIMINARY RESPONSE

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2001	Federal Court Management Statistics, Eastern District of Texas, 2019-2024
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I. INTRODUCTION

Each of the claims of the '993 patent requires a "text message" that "contains a non-text representation" of a vocal utterance. But the purported "text message" from the Dolan prior art reference that Petitioners rely upon for every ground does not and cannot contain text. Rather, it is only capable of containing digitally coded audio. Accordingly, the Petitions fail to show that the prior art teaches or renders obvious even a single claim, under the plain and ordinary meaning of "text message." For at least this reason, institution should be denied.

In addition, the Board should exercise its discretion to deny institution under *Fintiv*. Trial in the district court case between Patent Owner and the Samsung Petitioners is scheduled to begin more than six months before a final written decision would be due in this case. Given the Petition's weak position on the merits, the lack of a *Sotera* stipulation, and the likely wasteful duplication of effort that would result from instituting this IPR, institution should be denied.

II. BACKGROUND

A. Background to the '993 Patent

The '993 patent teaches and claims techniques relating to the sending of voice messages using mobile devices by sending those voice message in text

messages. For example, the patent teaches that sounds of the voice message or other utterance—such as phonemes, diphones, and triphones—can be recognized in the voice message and that a non-text representation of the voice message can be constructed from a string of symbols representing these sounds. Ex. 1001 at 2:31–55 This non-text representation can be sent in one or more text messages, extracted at the receiving device, and used to synthesize an audio representation of the voice message. *Id.*

B. Related Litigation and PTAB Proceedings

The ’993 patent is related by division to the 7,395,078 patent. The ’078 and ’993 patents are asserted in litigation against Samsung Electronics Co., Ltd. and Samsung Electronics America, Inc. The Petitioners have also challenged the ’078 patent in IPR2024-00978. The prior art grounds raised in that petition parallel those in the present IPR petition. Accordingly, the arguments made in the Patent Owner’s Preliminary Response for that IPR—filed concurrently with this Preliminary Response—parallel those in this Preliminary Response.

III. LEVEL OF ORDINARY SKILL IN THE ART

Petitioner proposes that a person of ordinary skill in the art at the time of the priority date would have had “at least a Bachelor’s of Science Degree (or

equivalent) in electrical engineering, computer science, or computer engineering, or a related technical field and two years of experience working with mobile or wireless communications networks such as cellular networks, or a related technical field, and familiarity with short message service protocols." Petition at 10. Petitioner also notes that "A greater amount of education could compensate for fewer years of work experience, and vice versa." *Id.*

Patent Owner reserves the right to offer a different level of ordinary skill in this or in other proceedings concerning the '993 patent. However, Patent Owner does not believe that the issues presented in this Preliminary Response turn on the precise level of ordinary skill in the art and believes that the Board could assume Petitioner's proposed level of ordinary skill for the purposes of deciding whether to institute.

IV. LEGAL STANDARDS

The petitioner has the burden to clearly set forth the basis for its challenges in the petition. *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1363 (Fed. Cir. 2016) (citing 35 U.S.C. § 312(a)(3) as "requiring IPR petitions to identify 'with particularity ... the evidence that supports the grounds for the challenge to each claim'"). A petitioner may not rely on the Board to substitute its own reasoning to remedy the deficiencies in a petition. *SAS Inst., Inc. v. Iancu*, 138 S. Ct. 1348, 1355 (2018) ("Congress chose to structure a process

in which it's the petitioner, not the Director, who gets to define the contours of the proceeding."); *In re Magnum Oil Tools Int'l, Ltd.*, 829 F.3d 1364, 1381 (Fed. Cir. 2016) (rejecting the Board's reliance on obviousness arguments that "could have been included" in the petition but were not, and holding that the Board may not "raise, address, and decide unpatentability theories never presented by the petitioner and not supported by the record evidence"); *Ariosa Diagnostics v. Verinata Health, Inc.*, 805 F.3d 1359, 1367 (Fed. Cir. 2015) (holding that "a challenge can fail even if different evidence and arguments might have led to success"); *Wasica Finance GMBH v. Continental Auto. Systems*, 853 F.3d 1272, 1286 (Fed. Cir. 2017) (holding that new arguments in a reply brief are "foreclosed by statute, our precedent, and Board guidelines").

The Board "may reject even uncontroverted expert testimony when it is intrinsically unpersuasive." *Granite Constr. Co. v. United States*, 962 F.2d 998, 1006 (Fed. Cir. 1992). The petitioner cannot satisfy its burden of proving obviousness by employing "mere conclusory statements." *Magnum*, 829 F.3d at 1380.

An obviousness determination requires finding that a POSITA would have been motivated to modify or combine teachings in the prior art. *In re Stepan Co.*, 868 F.3d 1342, 1345–46 (Fed. Cir. 2017). Obviousness concerns

"whether a skilled artisan not only *could have made* but *would have been motivated to make* the combinations or modifications of prior art to arrive at the claimed invention." *Belden Inc. v. Berk-Tek LLC*, 805 F.3d 1064, 1073 (Fed. Cir. 2015). The "mere fact that these possible arrangements existed in the prior art" does not provide a motivation to substitute the arrangement in one prior art embodiment with the arrangement in another." *Virtek Vision International ULC v. Assembly Guidance Systems, Inc.*, 97 F.4th 882, 887 (Fed. Cir. 2024). Because a motivation to modify or combine is part of the *prima facie* case for obviousness that must be set forth in the petition, a petitioner should not be permitted to present "an entirely new rationale to explain why one of skill in the art would have been motivated to combine" in its reply. *Intelligent Bio-Systems, Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1370 (Fed. Cir. 2016).

V. CLAIM CONSTRUCTION

Petitioners state that "no express constructions of the claims are necessary" and state that "the claims should be given their plain and ordinary meaning." Petition at 10–11. Patent Owner agrees that no construction of the terms is required to decide whether to institute this IPR. As Patent Owner explains further below, institution should be denied applying the plain and ordinary meaning to the relevant claim terms.

VI. ARGUMENT

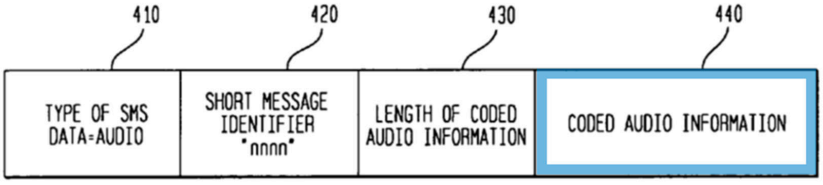
A. Ground 1A: *Dolan*

The Petition fails to show that Dolan discloses or renders obvious the claimed "a text message, wherein the text message contains a non-text representation of an utterance" to satisfy element 1[a]. In particular, the disclosures relied upon from Dolan do not utilize a "text message" under the plain and ordinary meaning of that term.

As the purported "text message," Petitioners point to a new coded-audio "Short Message" introduced in Dolan. Petition at 14–17. Petitioners characterize this new coded-audio Short Message as a set of "enhancements" to "the standard implementation of Short Message Service." Petition at 14. The new coded audio Short Messages are distinct from the Short Messages in the existing Short Message Service (SMS). Ex. 1005 at 1:18–19 ("SMS is currently utilized only to deliver messages to mobile stations as short text messages.").

Petitioners point to Figure 4 of Dolan as the claimed "text message" and the "CODED AUDIO INFORMATION" field 440 as the claimed "non-text representation":

FIG. 4



Petition at 17 (annotated version of Ex. 1005, Fig. 4). This is where Petitioners' mapping to the claims fails. While it is true that existing SMS messages are used to deliver text messages (Ex. 1005 at 1:18–19), the "enhanced" audio messages of Dolan are quite different. There is no field in Dolan's Figure 4 that contains text or that could contain text. Accordingly, while Dolan implements these coded audio messages by making enhancements to the SMS system, the resulting coded audio messages are not "text messages" under the plain meaning of that term as understood by those skilled in the art.

Rather, Dolan's "coded audio" is digital, compressed multi-bit pulse-code modulated (PCM) audio. As Dolan explains:

> As a general proposition, in each of these compression techniques a voice signal is prepared for digital transmission by band-limiting and sampling at a convenient prespecified frequency (such as 8 kHz). Each sample is then encoded into multi-bit PCM for transmission. At the receiver, the sample is then decoded in order to recreate the original voice signal. The encoding of the audio information by common compression techniques allows the audio information to be optionally stored at the messaging center in an efficient manner while awaiting delivery to the intended recipient.

Ex. 1005 at 7:17–23. A field defined to contain such multi-bit PCM audio cannot carry a "text message" or be the body of a "text message."

There are embodiments of the ’993 patent that utilize SMS text messages, and certain dependent claims require that “the text message is an SMS message.” Ex. 1001 at 9:22–23, 10:23. But, it does not follow that all SMS messages are necessarily “text messages,” let alone that a modification to SMS messages to send coded audio instead of text—as is taught in Dolan—falls within the plain meaning of “text message.”

The teachings of the ’993 patent are entirely consistent with the plain meaning of a “text message” as a type of communication that contains or at the very least is capable of containing text. The “non-text representation” of the preferred embodiments of the ’993 patent is very different from the coded audio of Dolan. While it is “non-text,” it is “a string of symbols representing sounds of the utterance,” each symbol corresponding to sounds such as “phonemes, diphones, and triphones.” Ex. 1001 at 2:33–39. Moreover, features of the preferred embodiments depend on the ability to send text “characters” within the text message. For example, the feature of choosing a “voice” to replay the message “is implemented by adding an additional string of characters representing ‘voice’ parameters to the non-text representation of the utterance.” Ex. 1001 at 7:13–15. These strings of symbols and characters are suited to be transmitted in the body of a “text message,” as taught and claimed in the ’993 patent, not in a coded audio message as taught by Dolan.

Dolan fails to teach "a text message" that "contains a non-text representation," and the Petition fails to argue that it would have been obvious to modify Dolan to do so. Accordingly, the Petition's Ground 1A theory fails to satisfy element 1[a] and fails to show that claim 1 is obvious.

Claims 2 and 6–9, challenged under this Ground 1A each depend from claim 1 and thus include element 1[a]. Nothing in the Petition's analysis of these claims points to any further disclosures of Dolan bearing upon the "text message" limitations of element 1[a]. Petition at 23–31. Accordingly, Ground 1A fails as to these claims for the same reasons as it fails as to claim 1.

B. Ground 1B: *Dolan* in view of *Freedman*

For "text message" limitations of element 1[a], the combination of Ground 1B relies upon the same disclosures of Dolan and the same analysis as in Ground 1A. Petition at 31–32. Accordingly, Ground 1B fails as to claim 1 for the same reasons as Ground 1A.

Claims 3–5, challenged under this Ground 1B each depend from claim 1 and thus include element 1[a]. Nothing in the Petition's analysis of these claims points to any further disclosures of Dolan or Freedman bearing upon the "text message" limitations of element 1[a]. Petition at 36–39. Accordingly, Ground 1B fails as to these claims for the same reasons as it fails as to claim 1.

C. Ground 2A: Dolan in view of *Halonen*

Element 10[b] parallels in part element 1[a] and requires "a text message that contains a non-text representation of an utterance." For the purported "non-text representation" and "text message," Ground 2A relies upon the same disclosures of Dolan and the same analysis as for element 1[a] in Ground 1A. Petition at 39–40. Accordingly, Ground 2A fails as to claim 02 for the same reasons as Ground 1A fails as to claim 1.

Claims 11 and 15–18, challenged under this Ground 2A each depend from claim 10 and thus include element 10[b]. Nothing in the Petition's analysis of these claims points to any further disclosures of Dolan or Halonen bearing upon the limitations of element 10[b]. Petition at 46–48. Accordingly, Ground 2A fails as to these claims for the same reasons as it fails as to claim 10.

D. Ground 2B: Dolan in view of *Halonen* and *Freedman*

For element 10[b], the combination of Ground 2B relies upon the same disclosures of Dolan and the same analysis as for element 1[c] in Grounds 1A and 1B and element 10[b] in Ground 2A. Petition at 48. Accordingly, Ground 2B fails as to claim 10 for the same reasons as the other grounds fails for claims 1 and 10.

Claims 12–14, challenged under this Ground 2B each depend from claim 10 and thus include element 10[b]. Nothing in the Petition's analysis of these claims points to any further disclosures of Dolan, Halonen, or Freedman bearing upon the limitations of element 12[f]. Petition at 51. Accordingly, Ground 2B fails as to these claims for the same reasons as it fails as to claim 10.

E. The Board Should Exercise Its Discretion to Deny Institution on *Fintiv* Grounds

35 U.S.C. § 314(a) gives the Board discretion to deny institution of IPR due to the advanced state of parallel district court litigation regarding the same issues. *See NHK Spring Co. v. Intri-Plex Techs., Inc*., IPR2018-00752, Paper 8 at 19-21 (PTAB Sept. 12, 2018) (precedential) ("*NHK*"). The Board has set forth six factors for determining whether discretionary denial in light of such parallel litigation is appropriate, and in analyzing them, "takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review." *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5-6 (PTAB Mar. 20, 2020) (precedential) ("*Fintiv I*"); *see also Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 7-17 (PTAB May 13, 2020) (informative) ("*Fintiv II*"); Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation (dated June 21, 2022) ("Interim Discretionary Denial Memo").

Each of these six *Fintiv* factors weigh in favor of the Board exercising its discretion to deny institution here. For Factor 1, no stay of the parallel district court litigation has been granted, and a stay is unlikely given the advanced stage of the case. For Factor 2, the district court trials will occur more than six months before the deadline for a final written decision in this proceeding. For Factor 3, there will be much investment by the parties and the district court—by the time the Board issues its institution decision, the district court will be days from holding a claim construction hearing, fact discovery will be near completion, and opening expert reports will be less than a month away. For Factor 4, there is substantial overlap in both the claims and art at issue in this proceeding and in the district court; Petitioners have not made a *Sotera* stipulation to address the concerns of inefficiency and inconsistent rulings. For Factor 5, the Samsung Petitioners and real parties-in-interest are defendants in the parallel litigation. And for Factor 6, the Petition fails to present a compelling challenge on the merits. Each of these factors is addressed in more detail below.

1. *Fintiv* Factor 1: The district court has not granted a stay, nor is there any evidence that a stay will be granted.

In the parallel district court proceeding (*Cerence Operating Company v. Samsung Electronics Co., Ltd.*, Case No. 2:23-cv-00482-JRG-RSP (E.D. Tex.)) involving challenged claims of the ’993 Patent and the two Samsung

Petitioners, the district court has not granted a stay pending IPR. Further, there is no evidence that a stay will be granted.

Moreover, the facts here indicate that it is unlikely that the district court would grant a stay pending IPR even if this IPR were instituted, given the late stage of litigation. The parties have already exchanged infringement and invalidity contentions (Ex. 1017 at 4), and the fact discovery period is more than half completed (Ex. 1017 at 3–4). By the time the Board's institution decision is due in this proceeding (February 19, 2025), the claim construction hearing will be only two days away and the due date for opening expert reports on infringement and invalidity will be less than a month away. (Ex. 1017 at 3.) Trial is currently set for August 4, 2025—more than six months before the earliest deadline for a final written decision in this IPR. (Ex. 1017 at 1.)

Where the district court litigation has not been stayed, and any stay is speculative and unlikely, allowing this IPR to proceed in parallel would be wasteful and inefficient. Factor 1 weighs against institution.

2. *Fintiv* Factor 2: The district court trials will occur almost more than six months before the deadline for a final written decision in this proceeding.

"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*." *Fintiv I* at 9.

Here, the deadline for a final written decision in this IPR is October 29, 2025, which may be extended to April 29, 2026, for good cause or in the case of joinder. 37 C.F.R. § 42.100(c). Meanwhile, the district court litigation is set for trial on August 4, 2025. (Ex. 1017 at 1.) The timeframe set by the district court is consistent with the Federal Court Management Statistics for the Easstern District of Texas. *See* Interim Discretionary Denial Memo at 3 & n.4 (encouraging use of these statistics in evaluating this factor). Those statistics indicate that, over the past six years, a civil case in the district was brought to trial 19.7 months after filing. Ex. 2001 (indicating median times to trial for civil cases for the twelve-month period ending in June for 2019-2024 as 17.5, 17.7, 20.4, 24.5, 16.7, and 21.6). Here, the trial is set approximately 22 months after October 13, 2023, the date the case was filed. (Ex. 1017 at 1; *Cerence Operating Company v. Samsung Electronics Co., Ltd.*, Case No. 2:23-cv-00482-JRG-RSP (E.D. Tex.), Dkt. 1.)

Thus, the district court trial is set to occur ***more than six months*** before the deadline for a final written decision, and possibly a year before the deadline if extended. This weighs heavily against institution. Indeed, the Board has denied institution on account of even smaller gaps between the final written decision and trial. *See, e.g.*, *EClinicalWorks, LLC v. Decapolis LLC*, IPR2022-00229, Paper 10 at 9 (PTAB 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"); *Fintiv II* at 13 (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); *NXP USA, Inc. v. Impinj, Inc.*, PGR2022-00005, Paper 17 at 9 (PTAB May 2, 2022) ("*NXP*") (same), *reh'g denied*, Paper 20 (PTAB Aug. 25, 2022).

Petitioners imply that the Board should ignore these set trial dates because it is "speculative." Petition at 53. But the Petition presents no evidence that the trials will not proceed on the set date, which, as noted above, is consistent with the most current time-to-trial statistics for the Eastern District of Texas. *See* Interim Discretionary Denial Memo at 3 & n.4. "[B]ased on the evidence of record, there is no evidence to suggest that trial will be delayed." *Nine Energy* at 9; *see also NXP* at 9 ("We generally take courts' trial schedules at face value absent some strong evidence to the contrary.") (quoting *Fintiv II* at 13).

Because the district court trial is currently set to occur more than six months before the earliest deadline for a final written decision in this IPR, the

set date is consistent with current time-to-trial statistics, and there is no evidence that the date may change, this factor weighs heavily against institution. *Fintiv II* at 13.

3. *Fintiv* Factor 3: By the time an institution decision is reached, both fact discovery and claim construction proceedings will be well underway.

Factor 3 relates to the "amount and type of work already completed in the parallel litigation by the court and the parties ***at the time of the institution decision***." *Fintiv I* at 9 (emphasis added). Here, claim construction before the district court will be fully briefed and the claim construction hearing two days away when the institution decision is due. (Ex. 1017 at 3.) Fact discovery is likewise already well underway. The parties have collectively served and responded to dozens of interrogatories, as well as served 11 third-party subpoenas. Extensive document production has also already occurred. And by the time the institution decision is due, document production is to be substantially complete and the deadline to complete discovery and serve opening expert reports will be less than a month away. (Ex. 1017 at 3.) Those investments weigh strongly against institution because they ensure that this IPR cannot be an efficient alternative to district court litigation. This favors discretionary denial, and panels have found this factor to favor denial when the parallel litigation was at a similarly advanced stage as here. *See, e.g.*, *BOE Tech. Grp. Co.*

v. Element Capital Commercial Co., IPR2023-00808, Paper 9 at 23-24 (PTAB Nov. 15, 2023) (denying institution in part because "[s]ignificant discovery has been completed, including the exchange of infringement and invalidity contentions, document requests and interrogatories, and proposed claim terms for construction, and … close of fact discovery is near").

Because there has been substantial investment in the parallel proceedings, Factor 3 weighs heavily against institution.

4. *Fintiv* Factor 4: There is substantial overlap between this IPR and the district court proceeding.

This factor looks at "whether all or some of the claims challenged in the petition are also at issue in district court" and whether the "petition includes the same or substantially the same claims, grounds, arguments, and evidence" as the parallel district court case. *Fintiv I* at 12-13. Here, there is substantial overlap between the challenged and asserted claims, and the same prior art applied in the Petition is also relied upon at the district court.

First, ten of the eighteen claims challenged in the Petition (1–2, 6–8 10–11, 15–17) are currently asserted in the litigation. (Ex. 1016 at 2). Second, the Samsung Petitioners assert each of the references relied upon in this Petition as a prior art reference in its district court invalidity contentions. (Ex. 2002 at

26–27 (identifying Dolan alone or in view of Freedman and identifying combinations including Dolan, Freedman, and/or Halonen as invalidity grounds for the ’993 patent).)

In short, the Petition challenges the claims asserted in the parallel litigation, and the Samsung Petitioners rely on each of its IPR references at the district court. This raises substantial “concerns of inefficiency and the possibility of conflicting decisions,” weighing against institution. *See Fintiv I* at 12.

5. *Fintiv* Factor 5: Samsung Petitioners are defendants in the district court litigation.

The Samsung Petitioners are defendants in the parallel litigation. “Because the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial.” *Fintiv II* at 15.

The addition of Google LLC as a petitioner should not alter the analysis. First, Google chose to join with the Samsung Petitioners as a party to the IPR, rather than file its own petition, now or at a later date. While the Petitioners have not provided an explanation for this decision, it appears likely that Google did so because of its own interest in the outcome of Patent Owner’s litigation against the Samsung Petitioners. The products accused of infringement in the litigation are Samsung Galaxy smartphones and tablets (Ex. 1016

at 2–4.), which use the Android OS, supplied by Google.[1] Google's interest in the outcome of the litigation against Samsung will be resolved on the same schedule as the Samsung Petitioners' interests in that outcome.

Second, the *Fintiv* analysis in another IPR case brought by Google points toward denial of institution. In *Google v. Ikorongo*, Google brought an IPR challenging a patent asserted against LGE and Samsung. *Google LLC v. Ikorongo Tech. LLC*, IPR2021-00205, Paper 13 at 13 (PTAB June 7, 2021). LGE and Samsung were named as real parties-in-interest, but were not petitioners. *Id.* There, the Board found that the identity of the real parties-in-interest in the IPR and the district court cases favored denial of institution. *Id.*; *Google LLC v. Ikorongo Tech. LLC*, IPR2021-00205, Paper 16 at 9 (PTAB Jan. 25, 2022) (granting rehearing but maintaining the same conclusion as to *Fintiv* Factor 5). Here, not only are the Samsung parties real parties-in-interest and defendants in the district court litigation, as in *Ikorongo*, but they are also petitioners in the IPR. *Fintiv* Factor 5 should weigh against institution of this IPR at least as strongly as it did in *Ikorongo*.

[1] *See* https://en.wikipedia.org/wiki/Samsung_Galaxy_S_series; https://en.wikipedia.org/wiki/Android_(operating_system).

6. *Fintiv* Factor 6: Other circumstances weigh strongly against institution, including the weakness of the Petition and Petitioner's delay.

This factor looks at "other circumstances that impact the Board's exercise of discretion, including the merits." *Fintiv I* at 9. This factor weighs heavily against institution for two reasons. Contrary to Petitioner's assertion, the Petition fails to present a "compelling" merits (*see* Interim Discretionary Denial Memo at 2-5). As explained above, Petitioner has failed to present prior art or combinations of prior art that satisfy the "text message [that] contains a non-text representation of an utterance" limitations of each claim.

* * *

Each of the six *Fintiv* factors weigh in favor of the Board exercising its discretion to deny institution.

VII. CONCLUSION

For the reasons set forth above, the petition fails to establish a reasonable likelihood that Petitioner would succeed in showing that the prior art discloses or renders obvious any of the challenged claims, and the Board should deny institution on that basis. Alternatively, the Board should exercise its discretion to deny institution of this IPR on *Fintiv* grounds.

Dated: November 19, 2024

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CERTIFICATE OF WORD COUNT

I certify that there are 4,437 words in this paper, excluding the portions exempted under 37 C.F.R. § 42.24(a)(1), according to the word count tool in Microsoft Word.

/Qi Tong/
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CERTIFICATE OF SERVICE

I hereby certify that "Patent Owner's Preliminary Response" was served on November 19, 2024 by email sent to:

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