UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MOTOROLA SOLUTIONS, INC.
Petitioner

v.

STELLAR, LLC
Patent Owner

U.S. Patent No. 9,485,471

Case IPR2024-01206*

PETITIONER'S AUTHORIZED RESPONSE TO PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW

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* Patent Owner filed identical Requests for Director Review in each of IPR2024-01205, -01206, -01207, and -01208. Petitioner is accordingly filing identical responses in each of these proceedings. Citations herein are to IPR2024-01206.

I. The Request Does Not Raise Any Important Issues Of Law Or Policy.

The USPTO's rescission of the June 21, 2022 "Guidance Memo" moots the majority of Patent Owner's Request for Director Review ("Request"). Sections II and IV of the Request, arguing that the Board failed to properly perform a "compelling merits" analysis in accordance with the now-rescinded Guidance Memo and *CommScope* are mooted entirely. And the policy change regarding *Sotera* stipulations requested in Section VI of the Request is likewise mooted.

II. The Board Did Not Abuse Its Discretion Or Otherwise Commit Error.

The lone argument that is *not* moot is found in Sections III and V, with Patent Owner alleging an abuse of discretion by the Board in assessing the *Fintiv* factors in the Institution Decision ("DI"). The Board did not abuse its discretion or err here.

In its analysis of *Fintiv* factors 1-6, the Board did not state any reliance on the now-rescinded Guidance Memo. Instead, consistent with precedential authority, the Board took a "holistic view" and "sought to balance considerations such as system efficiency, fairness, and patent quality." *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5-6 (PTAB Mar. 20, 2020) (Precedential) (*Fintiv I*). The Board evaluated the *Fintiv* factors and concluded that its "weighing of the factors is against exercising discretion to deny institution." DI at 5-7. The Board did not abuse its discretion or err, and the Board regularly institutes IPR under similar circumstances (*i.e, Sotera* stipulation, additional challenged claims in IPR not asserted in court, strong merits).

Initially, as to *Fintiv* factor 1, the Board did not clearly err in recognizing that no stay motion had yet been filed in the district court at the time of the DI, which meant this factor was *neutral*—not that it weighed in favor of denying institution, as Patent Owner implies (Request at 3). *See Apple, Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12 (PTAB May 13, 2020) (Informative) (*Fintiv II*). And Patent Owner's argument to the Board that "a stay is unlikely" (DI at 5) ultimately proved incorrect, as Judge Jordan has now entered a temporary stay of the E.D. Texas litigation (*see* Request at FN 3); Judge Jordan has "ORDERED that all deadlines and hearings scheduled in this matter are STAYED pending further order of the Court." *See Stellar v. Motorola Solutions*, E.D. Tex. No. 23-cv-00750, Dkt. 156 (Feb. 24, 2025); Dkt. 153 (unsealed stay motion); Dkt. 106 (prior scheduling order); IPR2024-01284, EX1058. The litigation will remain stayed until Judge Jordan issues a further ruling "after considering the PTAB's additional institution decisions [in IPR2024-01284, -01285, -01313, -01314]" (challenging four other patents in same family). Dkt. 156 at 2. No longer neutral, *Fintiv* factor 1 now supports institution. *See Fintiv I* at 6-9. And even if a trial date was still set, no bright-line rule required denial. *Id.* at 5 n.5.

The Board also did not abuse its discretion in finding that *Fintiv* factors 3, 4, and 6 favored institution at the time of the DI. Request at 6-9. *First*, the Board's finding that Petitioner's *Sotera* stipulation favored institution (DI at 6-7) was entirely consistent with the precedential holding that such stipulations "weigh[] strongly in

favor of not exercising discretion to deny institution under 35 U.S.C. § 314(a)." *Sotera Wireless v. Masimo*, IPR2020-01019, Paper 12 at 18-19 (PTAB Dec. 1, 2020) (Precedential as to § II.A). The Request contends (at 4, 8-9) that the Board erred in analyzing *Fintiv* factor 4 because it "ignored" that Petitioner's *Sotera* stipulation is "essentially meaningless" in view of "systems prior art" theories at the district court. But Patent Owner never made this argument to the Board regarding factor 4 (*see* POPR at 15-16), and the Board could not have clearly erred or abused its discretion regarding an argument not presented to it. In any case, as *Sotera* explicitly recognizes, Petitioner's stipulation is meaningful because it "mitigates any concerns of duplicative efforts between the district court and the Board, as well as concerns of potentially conflicting decisions." *Sotera* at 19. Moreover, the Board has found "the fact that Petitioner may rely [on] IPR-ineligible grounds before the district court" weighs *against* discretionary denial, further supporting the Board's decision here. *Abbott Vascular, Inc. v. Flexstent, LLC*, IPR2019-00882, Paper 11 at 30-31 (PTAB Oct. 7, 2019) ("the district court proceeding will involve prior art products, which are not asserted in this IPR, potentially enabling the district court to focus its limited trial time on the prior art products, should the need arise to do so").

Second, the Board did not clearly err in finding that "all" patent claims being challenged in the IPR (as opposed to the smaller subset asserted in district court) favored institution under factor 4. DI at 7. Rather, the Board's finding is consistent

with *Fintiv* and other Board precedent. *See*, *e.g.*, *3Shape A/S v. Align Tech.*, IPR2019-00160, Paper 9 at 39 (June 11, 2019) ("[D]iffering claim sets is a factor that weighs against [discretionary denial]."); *Illumina, Inc. v. Natera, Inc.*, IPR2019-01201, Paper 19 at 6-7 (PTAB Dec. 18, 2019) (no discretionary denial where district court trial "would address only a subset of the claims challenged in [IPR] Petition" and "denial of the Petition could cause Petitioner harm because Patent Owner could later assert the additional claims against Petitioner or its customers, yet Petitioner would be time-barred from bringing a later IPR on these claims").

Third, the Board's finding that the merits favor institution under *Fintiv* factor 6 was not clearly erroneous. DI at 7. While Patent Owner attempts to conflate the "compelling merits" analysis per the now-rescinded Guidance Memo with the "merits" consideration of *Fintiv* factor 6 (Req. at 6, 8-9), the Request acknowledges that the DI considered factor 6 and concluded that "Petitioner's contentions have merit" (*id.* at 6). Indeed, in the DI, the Board instituted on multiple, alternative grounds of unpatentability, uniformly rejected Patent Owner's arguments on the merits, and identified no weaknesses in the Petition. The Board's finding that the merits of the Petition weigh in favor of institution was correct and consistent with precedential Board authority. *Fintiv I* at 14-16; *see also Intel Corp. v. VLSI*, IPR2019-01192, Paper 15 at 13 (PTAB Jan. 9, 2020) (Petition's merits "outweigh concerns about inefficient use of resources").

Fourth, the Board did not clearly err in finding that IPR institution may lessen the "burden on the district court's resources." DI at 6-7. The Board acknowledged "the substantial number of issues to be addressed in the District Court," and correctly found that Petitioner's IPR challenge against "all" claims of the patent and its *Sotera* stipulation applying to all claims may result in "the potential reduction of issues to be tried in the parallel litigation." *Id.* That finding was consistent with Federal Circuit precedent. *VirtualAgility v. Salesforce.com,* 759 F.3d 1307, 1314 (Fed. Cir. 2014) (where PTAB proceeding "could dispose of the entire litigation" regarding challenged patent, this is "the ultimate simplification of issues"). Patent Owner's assertions (Request at 4, 7-8) about the number of asserted patent claims and the anticipated trial length "amount to mere disagreement [with the Board], not clearly erroneous factual findings." *Personalized Media Commc'ns, LLC v. Apple Inc.*, 57 F.4th 1346, 1356 n.7 (Fed. Cir. 2023).

Finally, regarding timing, Patent Owner asserted eight different patents against Petitioner, which worked diligently to prepare and timely file eight corresponding IPR Petitions totaling over 650 pages and challenging all 160 patent claims. Petitioner engaged a technical expert who investigated and analyzed the prior art, and submitted three comprehensive declarations totaling nearly 1000 pages in support of the eight IPRs. That this effort took time is unsurprising and does not reflect an "eleventh-hour petition" timed to gain some unfair tactical advantage.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing PETITIONER'S RESPONSE TO PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW was served via email at the following email addresses for counsel of record:

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Dated: March 10, 2025

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