UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

v.

SECURE WI-FI LLC,
Patent Owner.

Case IPR2024-01367
U.S. Patent No. 10,694,384

AUTHORIZED RESPONSE TO DIRECTOR REVIEW REQUEST

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As requested, Patent Owner files this response to Petitioner's Request for Director Review ("Req.") of the Decision on Institution ("DI").

I. THE BOARD'S DECISION WAS NOT AN ABUSE OF DISCRETION

The Board's discretionary decision to deny institution was not arbitrary and requires no review. Petitioner's Request divides the *Fintiv* factors into individual elements, asking whether Factors 2 and 4 were "arbitrary" and whether the Board's Factor 6 analysis was "inadequate." Req., 9-15. But that is not the task before the Director, as a review for "abuse of discretion," including an "arbitrary and capricious" review, looks to the decision as a whole and not to the individual elements. *See* Req., 3 ("Abuse of discretion exists if ***the decision*** is … clearly unreasonable, arbitrary, or fanciful") (emphasis added); *see also Perry v. Raimondo*, 101 F.4th 55, 64-65 (D.C. Cir. 2024) (noting a reviewing court looks to the decision and stating "[t]he fact that some … factors might weigh in … favor [of a contrary conclusion] does not render arbitrary or capricious the Board's conclusion").

The Board's detailed factual findings confirm there was nothing "unreasonable, arbitrary, or fanciful" about its outcome, where (1) the parallel district court case is set to complete trial nearly five months before the Board's final decision would be due (DI, 12), (2) Petitioner failed to offer any basis to support a finding of uncertainties with the trial date (DI, 12), (3) the district court's time-to-trial statistics confirmed the credibility of the trial date (DI, 12), (4) "the parallel

litigation is likely to address the same validity issues … addressed in this proceeding" (DI, 13), (5) "there has been significant investment by the parties" but "there is still much work to be done by the parties in the parallel litigation," (DI, 14), (6) "Petitioner does not meaningfully dispute there is substantial overlap between the claims, arguments, and evidence raised in the Petition and in the parallel district court proceeding, and we agree with Patent Owner that, in this circumstance, challenging several dependent claims does not mitigate any of the concerns that guide our analysis" (DI, 15), (7) Petitioner ignored the guidance in the *Sand* Decision and submitted a *Sand* stipulation not a *Sotera* stipulation (DI, 13, 15), (8) the Board had "no meaningful way of evaluating how much, if any, mitigation of overlap Petitioner's stipulation provides," (DI, 16), (9) it was "not at all apparent that" the *Sand* stipulation "would actually result in any significant avoidance of duplicative efforts," finding "no clear reason why Petitioner could not simply swap one of the other cited references relied on for another claim limitation … to create a ground that is not one of the 'same grounds asserted in this Petition,' but still would result in the exact same central issue needing to be decided based on the exact same evidence … and arguments presented in the Petition" (DI, 16), (10) Patent Owner is the plaintiff and Petitioners are the defendants in the parallel litigation (DI 17), and (11) after identifying the "central disputed issue" in the case and considering the positions of the parties, the Board indicated that it did not find the merits of

Petitioner's Grounds "to be particularly strong on the current record." (DI, 17). This careful and thoughtful analysis by the Board is not indicative of an unreasonable, arbitrary, or fanciful decision not to institute.

Petitioner quibbles with the Board's analysis in *Fintiv* Factor 2, contending that the Board should have weighed it as "slightly" instead of "heavily" in favor of denial. But Petitioner does not explain why a trial occurring five months before a final written decision should not weigh heavily in favor of denial. Five months is a long time. Also, the Board found the trial date to be credible and found that Petitioner established no uncertainties regarding the scheduled trial date. DI, 12. Moreover, the Board's assignment of a "heavy" weight to this factor is not unprecedented. *Roku, Inc. v. IOENGINE, LLC*, IPR2022-01554, Paper 11 at 12 (PTAB May 5, 2023) (about six months before); *Zhuhai CosMX Battery Co., Ltd. v. Amperex Technology Ltd.*, IPR2023-00585, Paper 12 at 13 (PTAB Oct. 24, 2023) (8-9 months (scheduling order) or 3-4 months (statistics) before). While the Board also noted the overlap of validity issues in Factor 2, that comment does not sully the analysis, as the factors in the *Fintiv* analysis are often interrelated. In any event, given the Board's findings, there is no precedent to allege that the Board's weight assigned to Factor 2 was an abuse of discretion and requires Director review. Indeed, petty quibbles over whether a factor weighs heavily or slightly in favor of denial does not change the fact that the Board analyzed all *Fintiv* factors and reached the non-arbitrary (and

correct) decision to deny institution.

Regarding Factor 4, the Board properly analyzed the *Sand* stipulation provided by Petitioner as well as the "evidence here on this record" surrounding Petitioner's contentions in district court. DI, 14-17. Petitioner contends that a *Sand* stipulation "routinely result[s]" in Factor 4 "being weighed as marginally against denial." Req., 11. But Factor 4 requires analysis of the facts of the case, as the Board did here. And the Board was correct to "fault[] the Petitioner for not providing any guidance as to how Petitioner's *Sand* stipulation results in any significant avoidance of duplicative efforts" (Req., 12). Moreover, Petitioner's strawman argument about "hundreds, if not thousands, of possible prior art combinations" (Req., 12) reinforces that institution would not reduce the burden on the district court.

Finally, with regard to Factor 6, Petitioner complains about an inadequate analysis. Req., 13-14. The Board correctly noted the dispute concerning limitation 1(d) (DI, 17), and did not find Petitioner's analysis compelling. The Board's dissenting and concurring analyses only confirm the Board's careful consideration. Accordingly, there was no error in the Board's treatment of Factor 6.

II. PETITIONER'S NEW ARGUMENT SHOULD BE DISREGARDED

The Request is also improper as requests are not the place for new arguments or new evidence. Petitioner asked for permission to make a new argument based on "retroactivity" of the Boalick Memorandum, and the Director ***denied*** that request.

Ex. 3101. Ignoring the Director's decision, Petitioner submitted the new argument anyway, spending its first nine pages doing so, and claiming that it was necessary to "avoid waiver." Req., 4 n.1. But Petitioner's attempt to turn the Boalick Memorandum into a question of retroactivity is an excuse to redo its unsuccessful pre-institution strategy. *Fintiv* remains the precedential guidance for evaluating discretionary denials, and while Petitioner knew the potential value of a *Sotera* stipulation prior to the Boalick Memorandum, it elected a different path. There is no basis for submitting a new untimely argument. It should be disregarded.

Moreover, Petitioner attempts to leverage its new argument to submit even newer evidence, a *Sotera* stipulation—having never explained why it did not do so prior to institution. *Cf. NXP USA, Inc. v. Impinj, Inc.*, IPR2021-01556, Paper 13 (Sept. 7, 2022). Indeed, the rescinded Vidal Memorandum noted the advantages of a petitioner's *Sotera* stipulation, but Petitioner elected to file a *Sand* stipulation instead. Despite Petitioner's regret over its chosen strategy, this attempt for a re-do is pure gamesmanship. Petitioner's new stipulation is offered too late, especially as the November 3, 2025, trial date draws nearer. Moreover, even this belated *Sotera* stipulation fails for the same reasons as the *Sand* stipulation, as it would not prevent Petitioner from using an IEEE802.11-compliant device at trial to result in the "exact same central issue … (Vardi and IEEE802.11)." *See* DI, 16. No efficiency is gained under either stipulation, and no Director review is required.

Dated: May 1, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

Petitioner has consented to e-mail service in this proceeding. Pursuant to 37 C.F.R. §42.6, the undersigned certifies that on May 1, 2025, a copy of the foregoing document was served by email upon the following counsel at the below email addresses:

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