

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 IPR2024-01369
U.S. Patent No. 9,961,552

AUTHORIZED RESPONSE TO DIRECTOR REVIEW REQUEST

TABLE OF CONTENTS

I.	THE BOARD'S DECISION WAS NOT AN ABUSE OF DISCRETION....	1
II.	PETITIONER'S NEW ARGUMENT SHOULD BE DISREGARDED.....	4

TABLE OF AUTHORITIES

Cases

<i>Perry v. Raimondo</i> , 101 F.4th 55 (D.C. Cir. 2024).....	1
<i>Roku, Inc. v. IOENGINE, LLC</i> , IPR2022-01554, Paper 11 (PTAB May 5, 2023)	3
<i>Zhuhai CosMX Battery Co., Ltd. v. Amperex Technology Ltd.</i> , IPR2023-00585, Paper 12 (PTAB Oct. 24, 2023).....	3

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., 10-15. 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 trial date for the parallel district court case is nearly five months before the Board’s final decision would be due and “it is highly likely that issues bearing on the patentability of the challenged claims will be considered and resolved before [the Board] would issue a final written decision” (DI, 11), (2) “there has been significant investment by the

IPR2024-01369 Patent Owner’s Response to Petitioner’s Req. for Director Review

parties” but “the parties still have much work to do” (DI, 12), (3) “Petitioner does not meaningfully dispute there is substantial overlap between the claims, arguments, and evidence raised in the two proceedings (DI, 13), (4) the Board had “no way to fully evaluate how much meaningful mitigation, if any, Petitioner’s [*Sand*] stipulation actually provides” (DI, 14), (5) “it is not clear that the stipulation would avoid duplicate efforts to resolve key issues, such as the construction of ‘authenticated access point list’ or whether Vardi and IEEE802.11 disclose authentication of access points” (DI, 14), (6) the Board “acknowledge[d] Petitioner’s stipulation is not without any meaning or weight” but found “it does not substantially mitigate the prospect of duplicative efforts between the two proceedings under these circumstances, in light of the substantial overlap of the claims, prior art, and evidence in the two proceedings” (DI, 15), (5) the parties in this proceeding and the parallel litigation “are the same” (DI 15), and (6) after identifying the “central disputed issue” in the case and considering the positions of the parties, the Board indicated it did not find “the merits of the Petition particularly strong” (DI, 16-19). 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

IPR2024-01369 Patent Owner’s Response to Petitioner’s Req. for Director Review

final written decision, which the Board found “highly likely” to occur (DI, 11), should not weigh heavily in favor of denial. Five months is a long time. 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. Ampere Technology Ltd.*, IPR2023-00585, Paper 12 at 13 (PTAB Oct. 24, 2023) (8-9 months (scheduling order) or 3-4 months (statistics) before). While Petitioner seems to also complain about overlap of other *Fintiv* factors (Req., 11-12), none of the Board’s comments 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 record surrounding Petitioner’s contentions in district court. DI, 14-15. Petitioner contends that a *Sand* stipulation “routinely result[s]” in Factor 4 “being weighed as marginally against denial.” Req., 12. But Factor 4 requires analysis of the facts of the case, as the Board did here. And the Board was correct to find “it is not clear that the stipulation would avoid duplicate

IPR2024-01369 Patent Owner’s Response to Petitioner’s Req. for Director Review efforts to resolve key issues,” including “whether Vardi and IEEE802.11 disclose authentication of access points” (DI, 14). Petitioner does not contend otherwise, as Petitioner’s strawman argument about “hundreds, if not thousands, of possible prior art combinations” (Req., 13) reinforces that institution would not reduce the burden on the district court.

Finally, with regard to Factor 6, which the Board found to be “neutral,” Petitioner complains that the Board’s analysis contained a lack of specificity. Req., 14-15. But the Board’s four-page analysis was more than sufficient (DI, 16-19). Just because Petitioner dislikes the Board’s conclusion about its failure to show a compelling case is not enough to show 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*

IPR2024-01369 Patent Owner’s Response to Petitioner’s Req. for Director Review

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 presenting the same “particular issues ... key to Petitioner’s argument” (DI, 14) using an IEEE802.11-compliant device at trial. 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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