

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

v.

CERENCE OPERATING COMPANY,
Patent Owner.

Case No. IPR2024-01465
U.S. Patent No. 11,087,750

PATENT OWNER'S PRELIMINARY RESPONSE

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PATENT OWNER'S EXHIBIT LIST

<i>Exhibit No</i>	<i>Description</i>
2001	Federal Court Management Statistics, Eastern District of Texas, 2019-2024
2002	Excerpt of Defendant's Amended Invalidity Contentions (<i>Cerence Operating Company v. Samsung Electronics Co., Ltd.</i> , Case No. 2:23-cv-00482-JRG-RSP (E.D. Tex.))
2003	Proof of Service of Samsung Electronics America, Inc. (<i>Cerence Operating Company v. Samsung Electronics Co., Ltd.</i> , Case No. 2:23-cv-00482-JRG-RSP (E.D. Tex.))

I. INTRODUCTION

The Board should exercise its discretion to deny institution under 35 U.S.C. § 325(d). Two of the Petition’s prior art references, including its primary reference Basye, were previously considered by the examiner who allowed the claims. The Petitioners have failed to demonstrate an error by the examiner that would justify the Board revisiting the examiner’s determination now.

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 eight and a half 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. 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 “a Bachelor of Science (or equivalent) in electrical engineering or computer science, and two years of work experience in the field of speech and natural language interfaces for interacting with and directing computer systems and software, including speech recognition and

processing.” Petition at 5. Petitioner also notes that “[a] greater amount of education could compensate for less 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 ’750 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.

III. 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 LLC 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).

IV. 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 6. 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.

V. ARGUMENT

A. The Board Should Exercise Its Discretion to Deny Institution under 35 U.S.C. § 325(d)

35 U.S.C. § 325(d) permits the Board to deny institution of IPR “because, the same or substantially the same prior art or arguments previously were presented to the Office.” As noted in the Petition, *Advanced Bionics* set

forth a two-part framework for exercising this discretion: “(1) whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office; and (2) if either condition of first part of the framework is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.” *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper No. 6 at 8 (PTAB Feb. 13, 2020) (precedential).

As the Petition acknowledges, both the Basye and Lebeau references were considered in some form during prosecution. Basye was listed in an IDS, which the examiner signed and acknowledged as considered March 6, 2020. (Ex. 1004 at 872.) Lebeau was cited substantively by the examiner in multiple rejections. (Ex. 1004 at 134, 257, 350, 391, 749, 854).

In this IPR, Basye is the primary reference for each ground. While ground 1 is formally based upon a combination of Basye with Shenhav, it alleges that Basye alone actually satisfies each limitation. Petition at 19–58. Where Shenhav is cited for a limitation, its disclosures are cited “in addition to” those of Basye or as reasons the limitation “would have further been obvious.” Petition at 33, 35. By the Petition’s own terms, Shenhav is cumulative

of Basye. Moreover, Shenhav is also cumulative of the Mozer prior art reference cited repeatedly in prosecution by the examiner. For each of the limitations where ground 1 relies upon Shenhav, the examiner found those limitation to be present in Mozer. Petition at 33–36; Ex. 1004 at 241–242. Accordingly, the references relied upon in grounds 1 and 3—and for all but limited dependent claim limitations in grounds 2 and 4—were considered by the examiner or are cumulative of art considered by the examiner who allowed the challenged claims.

In similar cases, where the primary reference of an IPR petition was cited in an IDS acknowledged by the examiner, the Board has found the first part of the *Advanced Bionics* framework to be satisfied. *Samsung Electronics Co. v. Power2B, Inc.*, IPR2021-01190, Paper No. 11 at 16–17 (PTAB Jan. 6, 2022) (reference cited in signed IDS “which is the primary art relied upon in the Petition, was previously presented to the Office, and, therefore, the first prong of *Advanced Bionics* is met.”); *Lyft, Inc. v. Rideshare Displays, Inc.*, IPR2021-01602, Paper No. 7 at 13–14 (PTAB Apr. 11, 2022) (citation of primary reference in IDS sufficient to satisfy first prong). The *K/S HIMPP* case cited by Petitioners is distinguishable, as the reference previously considered by the office (Shaffer) was not the primary reference in the IPR (Hain). *K/S HIMPP*

v. Bragi GmbH, IPR2023-01205, Paper No. 8 at 6, 20 (PTAB March 19, 2024).

As to the second prong of *Advanced Bionics*, Petitioners fail to show that the examiner erred in a manner material to patentability. Petition at 15–16. Petitioners’ discussion of the second prong fails to cited to the prosecution history at all. *Id.* Their assertions about what the examiner recognized or failed to recognize in Basye or Lebeau are pure speculation. *Id.* They fail to even allege that Basye discloses all the limitations that were missing from the Freeman and Mozer prior art references according to the arguments the examiner cited as persuasive. Ex. 1004 at 919, 944. It cannot be sufficient to show error by the examiner simply to point to the grounds of the petition that allegedly show obviousness, or 35 U.S.C. § 325(d) would virtually never apply.

B. 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. Intrix-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 approximately eight and a half 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 claim construction hearing, fact discovery, expert reports, and expert depositions will be complete, and summary judgment and other key motions will have been filed or be due within days. 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 are

defendants in the parallel litigation. And for Factor 6, the Petition fails to present a compelling challenge on the merits, and the Petitioners delayed significantly in filing their petition. 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 the '750 Patent and the 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 their first two rounds of claim construction briefs (Ex. 1022 at 3), and the fact discovery period is seven weeks from completion (Ex. 1022 at 3). By the time the Board's institution decision is due in this proceeding (April 28, 2025), the claim construction hearing will have been held, expert discovery will be complete, and motions for summary judgment will be due. (Ex. 1022 at 3.) Trial is currently set for August 4, 2025—more than eight and a half months before the earliest deadline for a final written decision in this IPR. (Ex. 1022 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 more than seven 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 April 28, 2026, which may be extended to October 28, 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. 1022 at 1.) The timeframe set by the district court is consistent with the Federal Court Management Statistics for the Eastern 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 19.8 months after filing. Ex. 2001 (indicating median times to trial for civil cases for the twelve-month period ending in September for 2019-2024 as 16.8, 18.0, 22.1, 21.0, 19.0, and 21.9). Here, the trial is set approximately 22 months after October 13, 2023, the date the case was filed. (Ex. 1019 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 ***eight and a half months*** before the deadline for a final written decision, and possibly more than 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 72. 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 eight and a half 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, fact discovery and expert reports will be complete, and summary judgment motions will be due.

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, the claim construction hearing, fact discovery, expert reports, and expert depositions will be complete when the institution decision is due. (Ex. 1022 at 3.) Summary judgment and other key motions will have been filed or be due within days. (Ex. 1022 at 2–

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 substantially less advanced stage than 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 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, the Petition challenges claims 1–19, the same claims that are asserted in litigation. (Ex. 1021 at 2). Second, there is substantial overlap between the prior art arguments presented in the Petition and arguments advanced by Petitioners in litigation. The Samsung Petitioners’ invalidity contentions in district court assert that the same Basye, Shenhav, Parker, Lebeau, and Conroy¹ references relied upon in this IPR anticipate or render obvious claims of the ’750 patent. (Ex. 2002 at 12–13.)

In short, the Petition challenges the same claims asserted in the parallel litigation, and the Samsung Petitioners rely on each of the IPR references at the district court. Thus, the overlap between IPR grounds and district court invalidity theories 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 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,

¹ The contentions in district court point to the issued Lebeau patent, while this IPR points to the published patent application.

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. 1021 at 5–6.), which use the Android OS, supplied by Google.² 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

² See https://en.wikipedia.org/wiki/Samsung_Galaxy_S_series; [https://en.wikipedia.org/wiki/Android_\(operating_system\)](https://en.wikipedia.org/wiki/Android_(operating_system)).

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*.

6. *Fintiv* Factor 6: Other circumstances weigh strongly against institution, including the weakness of the Petition and Petitioners' 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 Petitioners’ assertion, the Petition fails to present a “compelling” merits (*see* Interim Discretionary Denial Memo at 2-5). As explained above, the primary art relied upon by Petitioners was considered by the examiner before allowing the claims. Moreover, Petitioner Samsung Electronics America, Inc. was served with a complaint asserting the challenged patent on October 19, 2023. (Ex. 2003.) Petitioners waited until October 17, 2024, almost the entire 12 months permitted by statute, before filing their petition, virtually ensuring that this IPR could not be resolved prior to a trial in the District Court.

* * *

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

VI. 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 § 325(d) and/or *Fintiv* grounds.

Dated: January 27, 2025

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CERTIFICATE OF WORD COUNT

I certify that there are 3,705 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.

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CERTIFICATE OF SERVICE

I hereby certify that “Patent Owner’s Preliminary Response” was served on
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