

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

SUPPLEMENTAL BRIEFING IN SUPPORT OF PATENT
OWNER'S PRELIMINARY RESPONSE

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TABLE OF AUTHORITIES

Cases

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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.))
2004	Third Amended Docket Control Order (<i>Cerence Operating Company v. Samsung Electronics Co., Ltd.</i> , Case No. 2:23-cv-00482-JRG-RSP (E.D. Tex.))

I. INTRODUCTION

Patent Owner submits this supplemental briefing in support of its POPR in view of the USPTO's recent rescission of former Director Vidal's 2022 "Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation," and subsequent guidance from the USPTO on this rescission. While each of the relevant *Fintiv* factors already weighed in favor of denying institution (*see* POPR at 7-16), the rescission of former Director Vidal's 2022 memo and subsequent guidance from the USPTO further confirms that the Board should exercise its discretion here.

II. ARGUMENT

First, while the now-rescinded Vidal 2022 memo previously explained that the existence of a *Sotera*-type stipulation was dispositive to the discretionary denial analysis, Chief Judge Boalick's March 24, 2025 guidance explains that said stipulation is now just one factor to consider as part of the Board's holistic analysis of the *Fintiv*'s factors. Boalick Memo at 2.

Moreover, as discussed in the director review decision in *Motorola v. Stellar*, a standard *Sotera* stipulation is no longer sufficient to determine that *Fintiv* factor 4 weighs in favor of institution where the district court invalidity contentions "are more expansive and include combinations of the prior art

asserted in these proceedings with unpublished system prior art, which Petitioner's stipulation is not likely to moot." *Motorola v. Stellar*, IPR2024-01205, -01206, -01297, -01208, Paper 19 at 4 (March 28, 2025) (vacating the Board's decision granting institution); *id.* ("although Petitioner's *Sotera* stipulation may mitigate some concern of duplication between the parallel proceeding and this proceeding, the stipulation does not outweigh the substantial investment in the district court proceeding or *Fintiv* factors 1, 2, and 5...."). The same applies here, as the District Court invalidity contentions purport to preserve the ability to combine the Apple Siri and Samsung S Voice systems with any of the patent and printed publication art, undermining the effect of the submitted *Sotera* stipulation. *See, e.g.*, Ex. 2002 at 406, 416.

Second, while a showing of "compelling" merits previously foreclosed discretionary denial, Chief Judge Boalick's March 24, 2025 guidance confirms that "compelling merits alone" is no longer dispositive in determining whether discretionary denial is appropriate. Boalick Memo at 3. This change in guidance is important because each of the *Fintiv* factors *strongly* weighs in favor of discretionary denial, including because: 1) the District Court denied Petitioner Samsung's request for a stay in the parallel proceedings; 2) the District Court trial will occur more than 6 months before the earliest deadline of the final written decision; 3) claim construction, fact discovery, and expert

reports will be complete prior to any institution decision; 4) the same prior art applied in the Petition is also relied upon at the District Court; 5) the Samsung Petitioners are defendants in the District Court litigation; and 6) other circumstances weigh in favor of discretionary denial, including Petitioners' substantial delay in filing the Petition. POPR at 4-14; (Ex. 2004 (Amended DCO)).

Thus, because each of the *Fintiv* factors weighs strongly in favor of discretionary denial, the only remaining argument Petitioners can proffer to support institution is an argument that its Petition demonstrates “compelling” merits of unpatentability. But since “compelling merits alone” is no longer dispositive in determining whether discretionary denial is appropriate, the weight of the relevant *Fintiv* factors compels a finding that discretionary denial is appropriate. Put simply, *even if* the Petition demonstrated “compelling” merits of unpatentability—and it does not—instituting IPR proceedings here would be a waste of judicial resources because the same validity issues will already be addressed in the parallel District Court action more than 6 months prior to any final written decision in this matter.¹

Third, additional “relevant considerations” further demonstrate that discretionary denial is appropriate. *See* Stewart March 26, 2025 Memo at 2-3

¹ Additionally, as discussed in the POPR, the Petition also lacks compelling merits of unpatentability at least because it relies extensively on prior art already considered by the Examiner during prosecution. POPR at 4-7, 16.

(outlining additional “relevant considerations”). As an initial matter, the Petition’s extensive reliance on conclusory expert testimony to gap-fill holes in the prior art demonstrates discretionary denial is appropriate. For example, Petitioners support their Petition with the 158-page declaration of Mr. Christopher Schmandt, repeatedly using Mr. Schmandt’s testimony to bridge gaps in the prior art and summarily conclude that a POSITA would be motivated to combine or modify the prior art. (Ex. 1002.) But Mr. Schmandt’s declaration largely parrots *verbatim* the attorney arguments from the Petition, without additional supporting evidence or reasoning. *See, e.g.*, Ex. 1002, ¶¶ 39-42, 46-47, 89, 104, 115, 117, 119-120, 122, 127-128, 130-133, 136-137, 143, 147, 151, 155, 160, 165-166, 168, 179-182, 184, 187-190, 194, 200-205, 209-210, 214, 222, 225, 228, 230-234, 247-249, 251-253, 256, 259, 268, 273-275, 279-283, 286-287, 289-293, 297, 299. This is thus an additional relevant factor weighing in favor of discretionary denial. *See, e.g., Facebook v. Windy City Innovations, LLC*, 973 F.3d 1321, 1340-41 (Fed. Cir. 2020) (affirming Board’s findings where an expert’s testimony “did not add materially to Petitioner’s unpersuasive attorney argument”).

Moreover, as an additional “relevant consideration,” it was Petitioners’ own delay in filing their Petition which ensured that judicial resources would be wasted by granting institution. Petitioner Samsung Electronics America,

Inc. was served with a complaint asserting the challenged patent on October 19, 2023 (Ex. 2003), but Petitioners waited until October 16, 2024—*almost the entire 12 months permitted by statute*—before filing their Petition, virtually ensuring that this IPR could not be resolved prior to any District Court trial.

Finally, developments in the parallel District Court action further demonstrate that discretionary denial is appropriate. For example, since the filing of the POPR, the District Court has since denied Petitioner Samsung’s request for a stay. *See Cerence Operating Company v. Samsung Elec. Co. Ltd. et al.*, 2:23-cv-0482, D.I. 94 (Feb. 2, 2025). Additionally, under the most recent Docket Control Order, the parties will have completed claim construction, fact discovery, and expert reports prior to any institution decision, demonstrating an already substantial investment by the parties. Ex. 2004. Likewise, the parties also recently agreed to extend the trial date in the District Court action to ensure there is sufficient time to complete all necessary work, thereby raising the likelihood that the new trial date will remain firm. *Id.* And even with this newly extended trial date, a decision on the validity of the ’421 Patent is still expected in the parallel District Court proceedings *more than six months prior* to any final written decision in this matter.

III. CONCLUSION

In view of the forgoing, discretionary denial is appropriate.

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Dated: April 8, 2025

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CERTIFICATE OF WORD COUNT

I certify that there are 1091 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 this supplement in support of Patent Owner's Preliminary Response was served on April 8, 2025 by email sent to:

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