

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

v.

TRUESIGHT COMMUNICATIONS LLC,
Patent Owner.

IPR2024-01477
Patent US 8,898,803 B1

Before JOSIAH C. COCKS, ROBERT J. WEINSCHENK, and
BACH V. HOANG, *Administrative Patent Judges*.

HOANG, *Administrative Patent Judge*.

DECISION
Denying Institution of *Inter Partes* Review
35 U.S.C. § 314

I. INTRODUCTION

On September 27, 2024, Samsung Electronics Co., Ltd. and Samsung Electronics America, Inc. (collectively, “Petitioner”) filed a petition requesting an *inter partes* review of claims 1–14, i.e., all claims, of U.S. Patent No. 8,898,803 B1 (Ex. 1001, “the ’803 Patent”). Paper 3 (“Pet.”). Truesight Communications LLC (“Patent Owner”) timely filed a Preliminary Response. Paper 7 (“Prelim. Resp.”). On our invitation and authorization (Paper 8), Petitioner filed pre-institution Supplemental Briefing (Paper 9, “Supp. Br.”), and Patent Owner filed a pre-institution Sur-Reply (Paper 10, “Supp. Reply”).

We may institute an *inter partes* review (“IPR”) if the information presented in the Petition and the Preliminary Response shows that there is a reasonable likelihood that Petitioner would prevail with respect to at least one of the challenged claims. *See* 35 U.S.C. § 314. However, the Board has discretion to deny a petition even if a petitioner meets that threshold. *See, e.g., Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 273 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”). The Trial Practice Guide identifies considerations that may warrant exercise of this discretion. PTAB Consolidated Trial Practice Guide (Nov. 2019) (“Trial Practice Guide”),¹ 55–63.

Based on the record in this proceeding, we exercise the discretion under 35 U.S.C. § 314(a) to deny institution of *inter partes* review.

¹ Available at <https://www.uspto.gov/TrialPracticeGuideConsolidated>.

A. Real Parties in Interest

Petitioner identifies itself as the real party in interest. Pet. 89. Patent Owner identifies itself as the real party in interest. Paper 5, 2.

B. Related Matters

The parties indicate that the '803 Patent has been asserted in various district court lawsuits, one of which involves the parties here:

- *Truesight Communications LLC. v. Samsung Electronics Co., Ltd. et al.*, 2-23-cv-00643 (E.D. Tex.) (“District Court litigation”);
- *Truesight Communications LLC. v. TCL Technology Group Corp.*, Case No. 2-24-cv-00032 (E.D. Tex.); and
- *Truesight Communications LLC. v. Lenovo Group Ltd.*, Case No. 2-24-cv-00031 (E.D. Tex.).

Pet. 89; Paper 5, 2.

C. Asserted References

Petitioner’s unpatentability challenges rely on the following references:

- Kirkland, US 2008/0263634 A1, published Oct. 23, 2008. Ex. 1005 (“Kirkland”).
- Olaiya, US 2009/0083412 A1, published Mar. 26, 2009. Ex. 1006 (“Olaiya”).
- Kang, US 2009/0049464 A1, published Feb. 19, 2009. Ex. 1007 (“Kang”).

- Hasegawa, JP 2009-048715 A, published Mar. 5, 2009. Ex. 1008 (“Hasegawa”).²
- Raja, US 2009/0187654 A1, published July 23, 2009. Ex. 1009 (“Raja”).
- Mavrakakis, US 2009/0117846 A1, published May 7, 2009. Ex. 1010 (“Mavrakakis”).
- Takano, US 2010/0005492 A1, published Jan 7, 2010. Ex. 1011 (“Takano”).
- Hodecker, US 2007/0044133 A1, published Feb. 22, 2007. Ex. 1012 (“Hodecker”).

Pet. 2–3.

D. Testimonial Evidence

Petitioner submits a declaration from Anthony Wechselberger.
Ex. 1002.

E. The Petition’s Asserted Grounds

Petitioner asserts the following grounds of unpatentability (Pet. 1–2):

Claims Challenged	35 U.S.C.³ §	Reference(s)/Basis
1–13	103(a)	Kirkland, Olaiya, Kang, Hasegawa
4	103(a)	Kirkland, Olaiya, Kang, Hasegawa, Mavrakakis

² Petitioner submits Hasegawa’s related Japanese patent application and a certified translation of the same for Hasegawa. *See* Ex. 1008; Pet. vii.

³ The Leahy-Smith America Invents Act (“AIA”), Pub. L. No. 112-29, 125 Stat. 284, 285–88 (2011), revised 35 U.S.C. §§ 102 and 103 effective March 16, 2013. Because the challenged patent was filed before March 16, 2013, we refer to the pre-AIA version of § 103.

Claims Challenged	35 U.S.C. ³ §	Reference(s)/Basis
10	103(a)	Kirkland, Olaiya, Kang, Hasegawa, Hodecker
14	103(a)	Kirkland, Olaiya, Kang, Hasegawa, Takano
1–4, 9–13	103(a)	Olaiya, Raja, Hasegawa
5, 14	103(a)	Olaiya, Raja, Hasegawa, Takano
6–8	103(a)	Olaiya, Raja, Hasegawa, Kirkland
10	103(a)	Olaiya, Raja, Hasegawa, Hodecker

F. The '803 Patent (Ex. 1001)

The '803 Patent relates to a system for distributing digital media content via a kiosk. Ex. 1001, 1:16–17. The '803 Patent describes a system for downloading selected digital media content and user service information from a kiosk to a flash memory device and, subsequently, playing that selected media content on a playback device via the downloaded content or via a streaming service if network conditions allow. Ex. 1001, code (57), 2:18–40. The user can, accordingly, watch the selected media content via a streamed version or via the downloaded version when streaming is not available. *See id.* at 9:42–48.

Figure 1A is reproduced below and shows an example embodiment of a kiosk distribution system. *Id.* at 1:49–50.

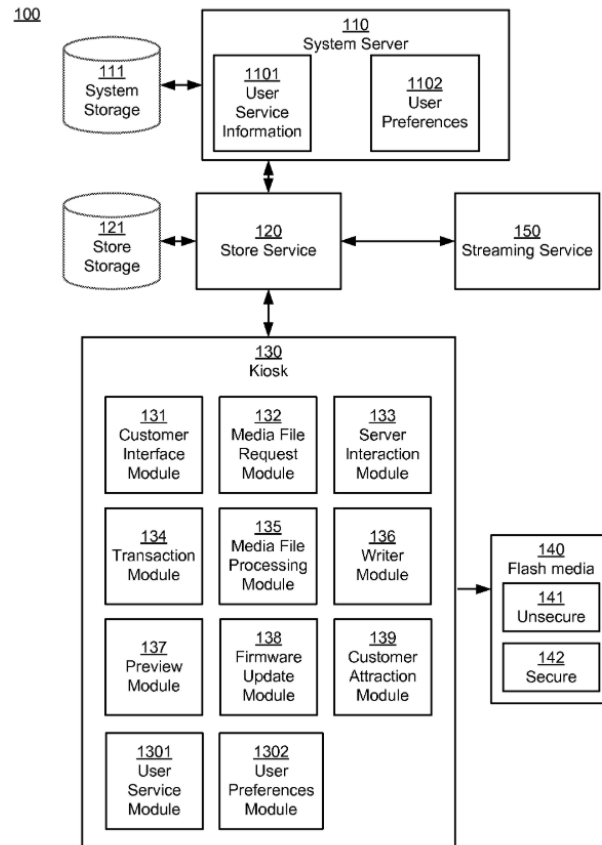


FIG. 1A

Figure 1A shows kiosk distribution system 100 including, in respective blocks, system server 110, which is connected to store service 120, which is connected to kiosk 130, which is connected to flash media 140. Ex. 1001, 2:42–61.

Figure 3, reproduced below, is a flow diagram showing an exemplary method for downloading selected digital media content, e.g., a movie, from kiosk 130 to flash media 140 to be watched later by a customer on a playback device. Ex. 1001, 8:50–55.

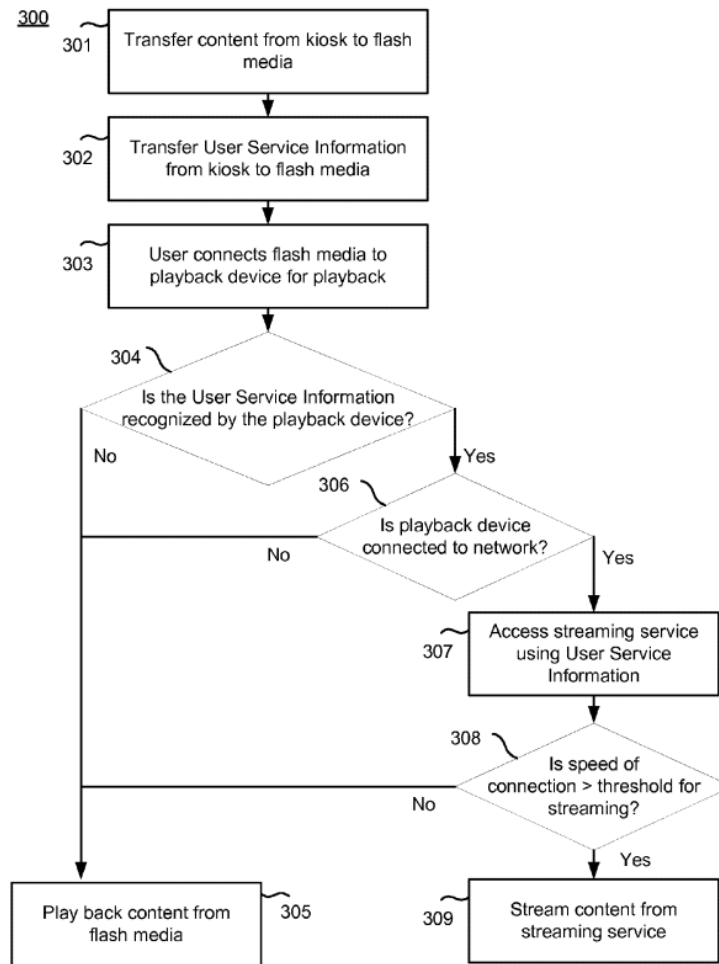


FIG. 3

Figure 3 shows a series of steps and checks 301–309 in the exemplary method. *See* Ex. 1001, 8:50–9:58. In the first two steps 301–302, a selected movie and user service information are loaded from kiosk 130 to flash media 140. *Id.* at 8:59–9:3. Next, when a user wants to watch the movie, the user connects the flash media to a playback device. *Id.* at 9:4–6. If user service information allows access to a streaming service and the playback device is connected to a network with a connection speed above a threshold, the movie is streamed. *Id.* at 9:4–41. Otherwise, the movie is played back from the downloaded version on the flash memory. *Id.*

G. Challenged Claims

Petitioner challenges claims 1–14 of the '803 Patent. Pet. 1. Of these, claims 1 and 11 are independent, and for purposes of this Decision, claim 1 is representative. Claim 1 is reproduced below:

1. A method of delivering content by integrating a kiosk delivery system with a streaming service, the method comprising:

transferring content from a kiosk to a flash memory media device, wherein the flash memory media device is configured to be connected to a playback device; and

transferring user service information, including user account information for one or more account based digital content streaming services, from the kiosk to the flash memory media device,

wherein, responsive to the flash memory media device being connected to the playback device:

if the playback device is connected to a network via a network connection having a speed that meets a threshold for streaming digital content, the transferred user service information from the connected flash memory media device is used to access at least one of the one or more account based digital streaming services to stream a higher quality version of the content to the connected playback device for playback, wherein the higher quality version of the content is a high definition version of standard definition content transferred from the kiosk to the flash memory media device,

otherwise, the content stored on the connected flash memory media device is used for playback of the content.

Pet. ix; Ex. 1001, 13:47–14:5.

II. EVALUATION OF DISCRETION

Patent Owner contends that we should exercise the discretion to deny the Petition in light of the status of the District Court litigation. Prelim. Resp. 15–23; Supp. Reply 1–5. Petitioner disagrees. Pet. 89; Supp. Br. 1–5.

The Board’s precedential decision in *Fintiv* sets forth six factors that we consider when determining whether to use the discretion to deny institution due to the state of a co-pending proceeding: *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 3 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”). These factors are:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board’s exercise of discretion, including the merits.

Id. at 6. In evaluating these factors, we take “a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.*; *see* Trial Practice Guide 58 & n.2.

We address the *Fintiv* factors below.

A. Factor 1 – Whether a Stay Exists or Is Likely to Be Granted if a Proceeding Is Instituted

We weigh this factor as neutral. Petitioner moved to stay the District Court litigation and the parties argued this issue based on the pendency of the motion. Supp. Br. 5; Supp. Reply. 5; Prelim. Resp. 21–22; *see* Ex. 1018. The District Court has since denied Petitioner’s motion to stay without prejudice. Ex. 2003.⁴ As such, the arguments in the parties’ briefs on this issue are moot, and we address the situation before us.

In cases where “there is no stay, but the district court has denied a motion for stay without prejudice and indicated to the parties that it will consider a renewed motion or reconsider a motion to stay if a PTAB trial is instituted,” such an indication “suggests the district court may be willing to avoid duplicative efforts and await the PTAB’s final resolution of the patentability issues raised in the petition before proceeding with the parallel litigation.” *Fintiv*, Paper 11 at 6–7. But, where “a court has denied a defendant’s motion for a stay pending resolution of a PTAB proceeding, and has not indicated to the parties that it will consider a renewed motion or reconsider a motion to stay if a PTAB trial is instituted, this fact has sometimes weighed in favor of exercising authority to deny institution[.]” *Id.* at 7–8.

Here, the District Court denied without prejudice Petitioner’s motion to stay, succinctly stating that Petitioner’s motion was “premature” because the Board had not yet rendered its decision on institution. Ex. 2003, 2–3. The District Court did not discuss the likelihood of granting a subsequent request for a stay were the Board to institute. *See id.*

⁴ With our authorization, Patent Owner submitted the District Court order denying Petitioner’s motion to stay as an exhibit. *See* Ex. 3001.

We do not attempt to predict how the District Court may rule in the parallel litigation between these parties should a renewed request for a stay be made because any such potential determination is based on a variety of circumstances and facts beyond our control and to which the Board is not privy. *Sand Revolution II, LLC v. Cont'l Intermodal Group – Trucking LLC*, IPR2019-01393, Paper 24 at 7 (PTAB June 16, 2020) (informative). As a result, the potential for a stay in the parallel litigation does not weigh either for or against discretionary denial in this case. Therefore, we determine factor 1 is neutral.

B. Factor 2 – Proximity of the Court's Trial Date to the Board's Projected Statutory Deadline

We weigh this factor as favoring the exercise of discretionary denial. The parties agree that the projected statutory deadline for issuing our Final Written Decision (April 23, 2026) is a little more than six months after trial is currently scheduled in the District Court litigation (October 6, 2025). Supp. Br. 4; Prelim. Resp. 19–20. Because the currently scheduled District Court trial is set to begin six months before our deadline to reach a final decision, this factor favors discretionary denial in this case. *See Fintiv*, Paper 11 at 9.

C. Factor 3 – Investment in the Parallel Proceeding

We weigh this factor as favoring the exercise of discretionary denial. Showing substantial investment in the District Court litigation, document production is substantially complete and fact discovery will be completed within two weeks of this Decision on Institution. Ex. 2001, 4–5 (Second Amended Docket Control Order). Further, a hearing on claim construction and associated briefing is complete. *Id.* And, the deadline to serve

disclosures for expert witnesses is in mid-May, shortly after this Decision on Institution. *Id.* at 4. These actions show that there has been notable investment by the parties in the District Court litigation. Furthermore, we must consider this parallel work in relation to the October 6, 2025 District Court litigation trial date, which is six months before the projected statutory deadline of our Final Written Decision. *See Fintiv*, Paper 11 at 10. As work in the District Court litigation has moved beyond preliminary stages into more advanced stages, instituting at this time implicates at least some duplicative costs. *See id.*

On the matter of petition timing, it is often reasonable for a petitioner to wait to file its petition until it learns which claims are being asserted against it in the parallel proceeding. *Fintiv*, Paper 11 at 11. Here, Petitioner filed its petition on September 27, 2024, which is four months after receiving Patent Owner's May 29, 2024 disclosure of asserted claims and infringement contentions and nine months after it was served Patent Owner's December 29, 2023 infringement complaint. Ex. 1017; Ex. 1018, 1. Further, Petitioner served its amended invalidity contentions in the District Court litigation on December 17, 2024, i.e., after it filed its Petition.⁵ We do not find the timing of the Petition in this case to outweigh the significant investment in the District Court litigation.

Considering the substantial investment in the District Court litigation and the rapidly advancing District Court litigation trial date balanced against the timing of the Petition, we determine this factor weighs in favor of discretionary denial.

⁵ Neither party indicates when Petitioner served its initial invalidity contentions.

D. Factor 4 – Overlap Between Issues Raised in the Petition and in the Parallel Proceeding

We weigh this factor strongly in favor of not exercising the discretion to deny institution. Petitioner presents a stipulation covering any grounds overlapping this proceeding and the District Court litigation. Ex. 1016; *see* Pet. 89; Supp. Br. 1–3. Specifically, Petitioner’s stipulation states

if the Patent Trial and Appeal Board (“PTAB”) institutes this IPR petition on the grounds presented (a table of which is included below), then Samsung Electronics Co., Ltd. and Samsung Electronics America, Inc. (collectively, “Samsung”) will not pursue in the above-captioned litigation any grounds that were raised or reasonably could have been raised in the IPR.

Ex. 1016, 1. Petitioner’s stipulation mirrors the stipulation in *Sotera Wireless, Inc. v. Masimo Corp.*, weighing strongly in favor of not exercising discretion to deny institution. IPR2020-01019, Paper 12 at 18–19 (PTAB Dec. 1, 2020) (precedential as to § II.A) (“*Sotera*”).

Patent Owner argues Petitioner’s stipulation is “not necessarily as expansive as” the stipulation in *Sotera* because Petitioner’s stipulation further states

[Petitioner] wishes the patentability of this patent over those grounds to be addressed at the PTAB. But, for the sake of clarity and to avoid any doubt, if the PTAB either declines institution or later vacates institution of this IPR, [Petitioner] reserves the right to pursue in this litigation any ground that was raised or reasonably could have been raised in the IPR.

Ex. 1016, 1; Prelim. Resp. 17–18; Supp. Br. 3. In particular, Patent Owner points out that the stipulation is conditioned on an institution decision that is not later vacated.

Patent Owner, though, does not explain specifically how the scope of Petitioner’s stipulation changes because of Petitioner’s condition that

institution not be later vacated. We find that Petitioner’s stipulation matches the scope of the stipulation in *Sotera*, i.e., the stipulation is conditioned on institution of an *inter partes* review. *See Sotera*, Paper 12 at 13–14, 18–19.

Patent Owner also contends Petitioner’s stipulation does not resolve conception and reduction to practice issues common to the District Court litigation and this IPR. Prelim. Resp. 18–19. However, Patent Owner has not offered any support that conception and reduction to practice is at issue in the District Court litigation, nor is it an issue Patent Owner raises in its Preliminary Reply here. *See generally* Prelim. Reply. Without evidence of overlapping conception and reduction to practice issues, we are not persuaded this argument should affect the weight we afford this factor.

Therefore, we weigh this factor strongly against exercising the discretion to deny institution.

E. Factor 5 – Whether the Petitioner and the Defendant in the Parallel Proceeding are the Same Party

We weigh this factor in favor of discretionary denial. Both Petitioner and Patent Owner agree this factor weighs in favor of discretionary denial because the parties are the same in this IPR proceeding and in the District Court litigation. Supp. Br. 5; Prelim. Resp. 17.

F. Factor 6 – Other Circumstances that Impact the Board’s Exercise of Discretion, Including the Merits

We weigh this factor as neutral. This factor may favor institution where the “merits of a ground raised in the petition seem particularly strong on the preliminary record.” *Fintiv*, Paper 11, 14–15. However, a “full merits analysis is not necessary as part of deciding whether to exercise discretion not to institute, but rather the parties may point out, as part of the

factor-based analysis, particular ‘strengths or weaknesses’ to aid the Board in deciding whether the merits tip the balance one way or another.” *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 15–16 (PTAB May 13, 2020) (citing *Fintiv*, Paper 11 at 15–16) (informative) (“*Fintiv II*”). Although Petitioner and Patent Owner respectively contend the merits of Petitioner’s grounds are “strong” or “not strong” (Supp. Br. 5; Prelim. Resp. 23), neither party identifies any specific strengths or weaknesses which tip the balance in their favor.

Petitioner contends the merits of its case are “strong” by characterizing Patent Owner’s Preliminary Response arguments as weak. *See* Supp. Br. 5. For example, Petitioner points out alleged contradictions or inconsistencies in some of Patent Owner’s arguments. *See id.* But, here, asserting faults in Patent Owner’s preliminary arguments does not readily show strength in Petitioner’s case-in-chief. Petitioner did not provide specific arguments explaining why the merits of its challenge are particularly strong or draw attention to which of its grounds that it believes are particularly persuasive of unpatentability. As such, Petitioner has not drawn our attention to any particular strength in its challenges and does not persuade us that the merits of its challenge are particularly strong. *See Fintiv II*, Paper 15 at 15–16 (“As an example, a petitioner can use the opportunity to draw attention to particular grounds that it believes are particularly persuasive of unpatentability.”).

Patent Owner, for its part, contends Petitioner’s case is not strong by generally referencing the merits argument section of its Preliminary Response. Prelim. Resp. 23 (citing *id.* at 4–15). Patent Owner’s general reference to its arguments, however, does not highlight any particular weakness in Petitioner’s challenges. *See Fintiv II*, Paper 15 at 16 (“[A]

patent owner can use the opportunity to call attention to particular arguments that, on balance, make the petitioner's case a close call.”). As such, Patent Owner does not persuade us that Petitioner's case is not strong.

As neither party has identified any specific strength or weakness in the merits, neither party persuades us the merits of Petitioner's challenges are strong or not strong. Accordingly, without any specific strengths or weaknesses identified in Petitioner's challenge, we weigh this factor as neutral.

G. Conclusion

In summary: factors 2, 3, and 5 each weigh in favor of exercising the discretion to deny institution; factor 4 strongly weighs against the exercise of discretion; factors 1 and 6 are neutral. The combined weight of the factors favoring exercising the discretion to deny institution outweighs the strength of factor 4, especially in light of the impending trial date in the District Court litigation and the effort expended by the parties in the District Court litigation. As such, viewing the facts of this particular case holistically, we determine that efficiency is best served by denying institution.

III. CONCLUSION

For the reasons discussed above, we exercise the discretion to deny institution under § 314(a).

IV. ORDER

It is:

ORDERED that the Petition is denied and no *inter partes* review is instituted.

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