

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HP INC., DELL TECHNOLOGIES INC., DELL INC., AND
LENOVO (UNITED STATES) INC.,

Petitioners,

v.

UNIVERSAL CONNECTIVITY TECHNOLOGIES INC.,

Patent Owner.

Case IPR2024-01481
U.S. Patent No. 7,746,798

**PATENT OWNER’S PRELIMINARY RESPONSE
TO THE PETITION**

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P.O. Box 1450
Alexandria, VA 22313-1450

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	OVERVIEW	2
	A. The '798 Patent	2
	B. Claim Construction	5
	C. Person of Ordinary Skill in the Art	6
	D. Prior Art.....	7
	1. Auld (Ex. 1004).....	7
	2. MPEG-2, Part 1 (Ex. 1005).....	9
	3. Shin (Ex. 1006)	9
	4. Hiroshima (Ex. 1006).....	10
III.	PETITIONERS FAIL TO DEMONSTRATE A LIKELIHOOD OF SUCCESS IN FINDING ANY OF THE CHALLENGED CLAIMS UNPATENTABLE	11
	A. Ground 1: Claims 1, 4-7, 9, 11, 14-16, 18, 19, 22-25, and 28 would not have been obvious under 35 U.S.C. § 103 over Auld in view of MPEG-2, Part 1.	11
	1. The synchronization symbol recited in all of the independent claims is separate from the packet of symbols in the '798 Patent.	11
	2. The Petition identifies an alleged synchronization symbol that is within the packet.....	14
	3. The Board should reject Petitioner's implicit construction and deny institution.	15

B. Grounds 2 and 3 are directed to dependent claims of the '798 Patent and thus fail because Ground 1 fails for the independent claims.....	17
IV. THE <i>FINTIV</i> FACTORS WEIGH AGAINST INSTITUTION	18
A. <u>Factor 1</u> : No stay has been entered in the LGL Case and there is no evidence that a stay will be granted	19
B. <u>Factor 2</u> : The proximity of the court's trial date to the Board's projected statutory deadline for a final written decision.....	23
C. <u>Factor 3</u> : The parties and the courts have made a substantial investment in the parallel proceeding.	25
D. <u>Factor 4</u> : There is complete overlap between this IPR and the LGL Case.....	26
E. <u>Factor 5</u> : Petitioner is the defendant in the LGL Case.....	28
F. <u>Factor 6</u> : Other circumstances that impact the Board's exercise of discretion, including the merits.	28
V. CONCLUSION.....	29

TABLE OF AUTHORITIES

Cases

<i>Apple Inc. v. Fintiv, Inc.</i> , IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential, designated May 5, 2020)	19, 23, 25, 26, 28
<i>Apple Inc. v. Fintiv, Inc.</i> , IPR2020-00019, Paper 15 (PTAB May 13, 2020)	19, 23, 26, 27, 28
<i>CA, Inc. v. Simple.com, Inc.</i> , 780 F. Supp. 2d 196 (E.D.N.Y. 2009)	17
<i>Comaper Corp. v. Antec, Inc.</i> , 596 F.3d 1343 (Fed. Cir. 2010)	16
<i>Duhn Oil Tool, Inc. v. Cooper Cameron Corp.</i> , 2012 U.S. Dist. LEXIS 24088, 2012 WL 604138 (E.D. Cal. Feb. 23, 2012)	17
<i>Function Media, LLC v. Google, Inc.</i> , 708 F.3d 1310 (Fed. Cir. 2013)	14
<i>Harmonic Inc. v. Avid Tech., Inc.</i> , 815 F.3d 1356 (Fed. Cir. 2016)	16
<i>In re Fine</i> , 837 F.2d 1071 (Fed. Cir. 1988)	16, 18
<i>Intamin Ltd. v. Magnetar Techs., Corp.</i> , 483 F.3d 1328 (Fed. Cir. 2007)	17
<i>Lenovo (United States) Inc. v. Universal Connectivity Technologies Inc.</i> , No. 1:24-cv-01126-RGA (D. Del.)	20
<i>Littelfuse, Inc. v. Mersen USA EP Corp.</i> , 29 F.4th 1376 (Fed. Cir. 2022)	17

<i>Mediatek, Inc. v. Mosaid Technologies Inc.</i> , IPR2024-00718, Paper 10 (PTAB October 9, 2024)	6
<i>Mformation Techs., Inc. v. Research in Motion Ltd.</i> , 764 F.3d 1392 (Fed. Cir. 2014).....	13
<i>MyPort, Inc. v. Samsung Electronics Co., Ltd., et al.</i> , No. 2:22-cv-00114-JRG, Dkt. No. 73 (E.D. Tex. June 12, 2023).....	22
<i>NHK Spring Co. v. Intri-Plex Techs., Inc.</i> , IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential, designated May 7, 2019).....	18, 28
<i>OpenSky Indus., LLC v. VLSI Tech. LLC</i> , IPR2021-01064, Paper 102 (PTAB Oct. 4, 2022) (precedential)	29
<i>Phillips v. AWH Corp.</i> , 415 F.3d 1303 (Fed. Cir. 2005).....	5
<i>Samsung Elecs. Co. Ltd. v. Clear Imaging Research, LLC</i> , IPR2020-0152, Paper 12 (PTAB March, 3, 2021)	22
<i>Samsung Elecs. Co. Ltd. v. Evolved Wireless LLC</i> , IPR2021-00950, Paper 10 (PTAB Nov. 29, 2021).....	21
<i>Sotera Wireless, Inc. v. Masimo Corp.</i> , IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020)	27
<i>SynQor, Inc. v. Artesyn Techs., Inc.</i> , 709 F.3d 1365 (Fed. Cir. 2013).....	16
<i>TALtech Ltd. v. Esquel Apparel, Inc.</i> , 279 F. App'x 974 (Fed. Cir. 2008)	14
<i>Trover Group, Inc. v. Dedicated Micros USA</i> , No. 2:13-cv-1047-WCB, 2015 WL 1069179 (E.D. Tex. Mar. 11, 2015) (Bryson, J.).....	21
<i>Universal Connectivity Technologies Inc. v. Dell Inc.</i> , No. 1:23-cv-01506-RP (W.D. Tex.)	20, 28

<i>Universal Connectivity Technologies Inc. v. HP Inc.</i> , No. 4:24-cv-04097-YGR (N.D. Cal.).....	20, 28
<i>Universal Connectivity Technologies Inc. v. Lenovo Group Limited</i> , No. 2:23-cv-00449-JRG (E.D. Tex.)	19, 20, 21, 24, 25, 26, 28
<i>Zimmer Surgical, Inc. v. Stryker Corp.</i> , 365 F.Supp. 3d 466 (D. Del. 2019)	17

Statutes

35 U.S.C. § 312	16
35 U.S.C. § 314	18
37 C.F.R. § 42.100	24
37 C.F.R. § 42.104	5

Regulations

77 Fed. Reg. 48756 (Aug. 14, 2012)	6
83 Fed. Reg. 51341 (Oct. 11, 2018)	5

TABLE OF EXHIBITS

Exhibit No.	Description
2001	U.S. District Courts—Federal Court Management Statistics—Profiles—During the 12-Month Periods Ending September 30, 2019 Through 2024
2002	Lenovo Group Limited’s Invalidity Contentions, <i>Universal Connectivity Technologies Inc. v. Lenovo Group Limited</i> , No. 2:23-cv-00449-JRG (E.D. Tex. July 24, 2024), pp. 1-14, 42-61, 229-230; C-2; C-8
2003	Dell Technologies Inc. and Dell Inc.’s Invalidity Contentions, <i>Universal Connectivity Technologies Inc. v. Dell Inc.</i> , No. 1:23-cv-01506-RP (W.D. Tex. July 24, 2024), pp. 1-13, 41-60, 227-228; C-2; C-8
2004	HP Inc.’s Invalidity Contentions, <i>Universal Connectivity Technologies Inc. v. HP Inc.</i> , No. 4:24-cv-04097-YGR (N.D. Cal. December 5, 2024), pp. 1-12, 37-53; C-2; C-8; C-9

I. INTRODUCTION

Petitioners have failed to show a reasonable likelihood of success in demonstrating any of the challenged claims would have been obvious over the cited prior art. None of the alleged prior art references relied upon by Petitioners discloses, teaches or suggests a limitation found in each of the independent claims. In the specification and claims of the '798 Patent, the claimed "synchronization symbol" is separate from, and precedes, the claimed "packet of (or having) symbols." However, as discussed below, what the Petitioners identified as a "synchronization symbol" is in what they have identified as a "packet of (or having) symbols."

In Ground 1, Petitioners erroneously assert that independent claims 1, 11 and 19 would have been obvious to a Person of Ordinary Skill in the Art (POSITA) over a patent on a two-part synchronization scheme for digital video decoders in view of a digital video data compression standard. This prior art applies to a multiplexed system bitstream and addresses and attempts to solve issues in a fundamentally different way than the patented invention.

Ground 1, as well as Grounds 2 and 3, also addresses dependent claims 2-9, 12-18, 20-26, and 28. However, these grounds and dependent claims do not need to be addressed in this Preliminary Response because institution can and should be denied because Petitioners fail to meet their burden of establishing the unpatentability of the independent claims.

Institution should also be denied on discretionary grounds in light of the advanced stage of relevant district court litigation and the extensive overlap in issues concerning validity. Accordingly, Petitioners have shown no reasonable likelihood of success, and the Board should deny institution of the '798 Patent IPR Petition.

II. OVERVIEW

A. The '798 Patent

U.S. Patent No. 7,746,798 (“the '798 patent” (Ex. 1001)) to Shin et al is titled “Method and System for Integrating Packet Type Information with Synchronization Symbols” and has a priority date of November 22, 2000, based upon Provisional Application No. 60/252,724. Although the inventions of the '798 Patent “relates generally to communications techniques” the '798 Patent inventors were particularly addressing “communications between hosts and data store devices.” Ex. 1001, 1:52-

54. Their inventions “provide packet ordering based on packet type, dynamic segmentation of packets, asymmetric packet ordering, packet nesting, variable-sized packet headers, and use of out-of-band symbols to transmit control information.” *Id.*, Abstract.

The '798 patent has a comprehensive specification and the subject matter corresponding to the challenged claims is generally disclosed in

1.2 Synchronization Primitive and Packet Type.

In one embodiment, the serial communications architecture defines multiple primitives to operate as synchronization signals. A synchronization signal is typically used by the physical layer to help ensure correct alignment of symbols. A transmitting communications node periodically transmits synchronization primitives so that the receiving communications node can properly align with that synchronization primitive. When a communications node receives a synchronization primitive, it knows that the primitive is correctly aligned on a symbol boundary. The use of multiple synchronization primitives allows for encoding packet type within a synchronization primitive. In particular, the transport layer provides the packet type to the link layer. The link layer can then transmit a synchronization primitive that indicates packet type immediately before the packet itself. The receiving communications node can take the appropriate action based on the packet type encoded in the synchronization primitive without having to parse the packet header. Indeed, the packet header may not need to separately include the packet type. The use of a synchronization primitive with encoded packet type may be well adapted to use in an environment where the transmission time of a

packet through the switching network may be long relative to the time needed to store the packet at the data store device. For example, the time to transmit a packet through the switching network may be longer than the time needed to store the data of the packet in a memory-based data store device. The rapid detection of packet type through a synchronization primitive, rather than through a packet header, can reduce the processing time of a switch. Also, when a synchronization primitive encodes the packet type, then the link layer, rather than the transport layer, can detect packet type, which can enhance the overall processing speed.

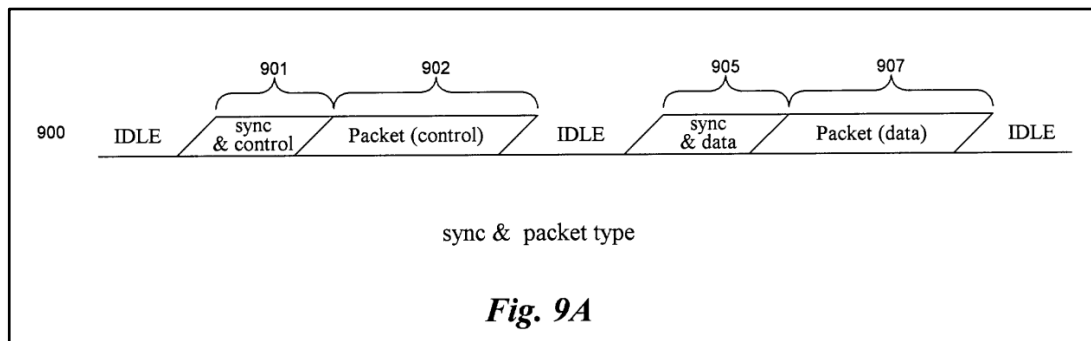


FIG. 9A is a diagram illustrating the use of a synchronization primitive encoded with the packet type in one embodiment. Serial link content diagram 900 indicates the information transmitted on a serial link over a period of time. Initially, an IDLE primitive is transmitted onto the communications link. (An IDLE primitive may be a synchronization primitive that does not encode any packet type.) Immediately prior to transmitting control packet 902 (e.g., command, status, or message packets), the transport layer of the transmitting communications node signals the link layer that a control packet is to be transmitted next. The link layer then transmits a synchronization primitive 901 encoded with a packet type of control. After the packet has been transmitted, the link layer of the transmitting communications node starts transmitting the idle primitive. Immediately before the transport layer transmits

data packet 904, it notifies the link layer that a data packet is to be transmitted. The link layer transmits a synchronization primitive 903 encoded with a packet type of data. After the data packet is transmitted, the link layer starts transmitting the IDLE primitive. The receiving communications node uses the synchronization primitive encoded with packet type to align its symbol boundaries and to rapidly identify the packet type. This alignment and identification can occur in the physical and link layers. As described above, the primitives are pairs of out-of-band symbols.”

Ex. 1001, 14:31-15:24, Figure 9A.

B. Claim Construction

For purposes of *inter partes* review, disputed claim terms are construed to give them “the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention.” *See* 83 Fed. Reg. 51341 (Oct. 11, 2018) (adopting the standard of *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312-13 (Fed. Cir. 2005)). The proper construction is considered in the context of, and must be consistent with, the specification—and the claim language should be read in light of the specification as it would be interpreted by one of ordinary skill in the art. *See, e.g., Phillips*, 415 F.3d at 1313.

“[T]he petition must set forth ... [h]ow the challenged claim is to be construed.” 37 C.F.R. § 42.104(b)(3). In addition, “where a party believes that a specific term has meaning other than its plain meaning, the party

should provide a statement identifying a proposed construction of the particular term and where the disclosure supports that meaning.” *See* Trial Practice Guide, 77 Fed. Reg. at 48,764. The Board has denied institution when “the dispute requires a determination of the meaning of a claim limitation” but the petitioner does not provide “an adequate claim construction analysis” or “adequately or persuasively explain[s] why a person of skill in the art reading the claim in light of the Specification” would have understood it the prior art disclosures to satisfy the disputed limitation. *See Mediatek, Inc. v. Mosaid Technologies Inc.*, IPR2024-00718, Paper 10 at 18-20 (PTAB October 9, 2024) (Institution Decision).

Petitioners have submitted that no terms require construction for this proceeding. Petition at 6. Patent Owner does not disagree at this time but reserves the right to propose construction in any subsequent filings.

C. Person of Ordinary Skill in the Art

A person of ordinary skill in the art of the subject matter of the ’798 patent would have the equivalent of a bachelor’s degree in electrical engineering, computer engineering, computer science, or equivalent training and three years of work experience with data communications

systems or interfaces, including at least some experience with serial data communications systems or interfaces. Additional education may compensate for lesser work experience, and vice versa.

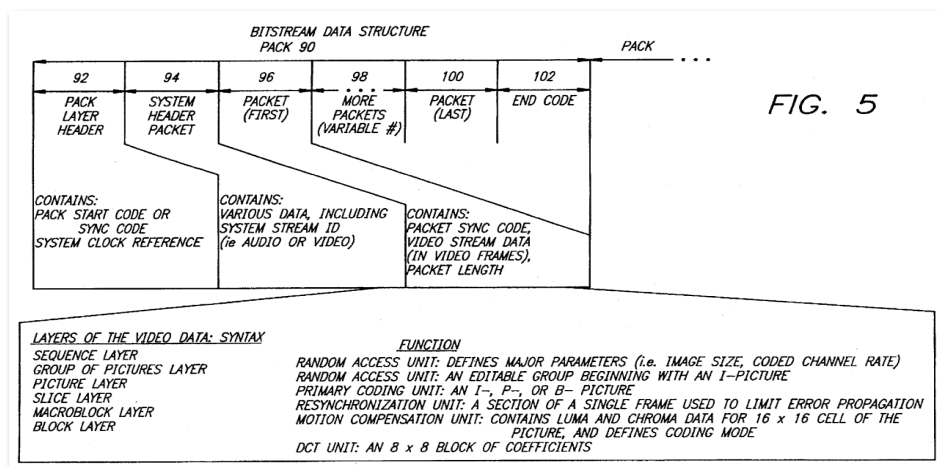
D. Prior Art

1. Auld (Ex. 1004)

The primary prior art reference relied upon by petitioners is U.S. Patent No. 5,686,965 to Auld (“Auld” Ex. 1004) and is titled Two-part Synchronization Scheme for Digital Video Decoders. Auld’s invention relates to video data and synchronizing a video decoder to a compressed digitized video signal. Ex. 1004, 1:12-15. As Auld explains, “the video and audio signals comprising a video program are converted into a digital format, compressed and encoded in accordance with an established compression algorithm or methodology and the compressed system signal or bitstream, which is understood to include a video portion, an audio portion, and other informational portions, may then be transmitted.” *Id.*, 1:38-42.

Auld is directed to multiplexed bitstreams, and the digital signal video decoder pre-parser in Auld “synchronizes to a multiplexed system bitstream.” *Id.*, Abstract. *See also Id.*, 8:35-42 (discussing multiplexed

system bitstreams). The multiplexed system bitstream primarily addressed in Auld is an MPEG bitstream. “In one embodiment of the present invention, the multiplexed system bitstream is of a type conforming to the MPEG standard.” *Id.*, 10:9-11. Auld discloses “a typical MPEG system bitstream.”



The logical structure of a typical MPEG system bitstream is illustrated in FIG. 5, which represents the highest level MPEG data structure, and is often termed an ISO (International Standards Organization) system stream. An MPEG ISO system bitstream typically includes a sequence of packs 90. A typical pack 90, in turn, includes a sequence pack layer headers 92, a system header packet 94, a sequence of packets 96, 98, and 100, and an end code 102. The pack layer header 92 contains a pack start code, or sync code, used for synchronization purposes, and a system clock value. The system header packet 94 contains a variety of information commonly referred to as system housekeeping data, and a system stream ID which is used to differentiate among multiple system streams. A sequence of one or more packets typically contains either encoded audio or encoded video stream data. The final element of a pack 90

is an end code 102. It should be noted that any one packet 96, 98, 100 may carry either audio or video data, but not both simultaneously.

Ex. 1004, 10:16-34, Figure 5.

As disclosed and taught by Auld, the Packet Sync Code is contained within the packet containing encoded audio or video data. *Id.*, 10:29-31. “It should be noted that each packet or layer [of the video data in a packet] may contain one or more synchronization codes, referred to in the art as sync code, which are necessary to properly synchronize and align the encoded bitstream.” *Id.*, 10:42-45.

2. MPEG-2, Part 1 (Ex. 1005)

The second prior art reference relied upon by petitioners is MPEG-2, Part 1 (“MPEG-2”, ISO/IEC 13818-1, Ex. 1005). MPEG-2 “addresses the combining of one or more elementary streams of video and audio, as well as other data, into single or multiple streams.” Ex. 1005, 8.

3. Shin (Ex. 1006)

The third prior art reference relied upon by petitioners is U.S. Patent No. 5,974,464 to Shin et al. (“Shin” Ex. 1006) titled “System for High Speed Video Signal Transmission Using DC-Balanced Coding.”

Shin describes “a high-speed digital interface for transmitting video information over various transmission media.” Ex. 1006, Abstract.

4. Hiroshima (Ex. 1006)

The fourth prior art reference relied upon by petitioners is U.S. Patent No. 5,801,781 to Hiroshima et al. (“Hiroshima” Ex. 1007) titled “Apparatus for Converting Moving Picture Stream of MPEG1 to Transport Stream of MPEG2.” Hiroshima describes “a moving picture stream converting apparatus for converting a moving picture stream according to phase 1 of an international standard of a moving picture compression of a media integration system (MPEG: Moving Picture Experts Group), that is, MPEG1 into a moving picture stream according to phase 2 of the MPEG, that is, MPEG2. More particularly, the invention relates to a moving picture stream converting apparatus for converting a system stream of MPEG1 to a transport stream of MPEG2.” Ex. 1007, 1:7-15.

III. PETITIONERS FAIL TO DEMONSTRATE A LIKELIHOOD OF SUCCESS IN FINDING ANY OF THE CHALLENGED CLAIMS UNPATENTABLE

A. Ground 1: Claims 1, 4-7, 9, 11, 14-16, 18, 19, 22-25, and 28 would not have been obvious under 35 U.S.C. § 103 over Auld in view of MPEG-2, Part 1.

Ground 1 fails to show any reasonable likelihood that Auld in view of MPEG-2 renders obvious the challenged claims because neither Auld nor Auld in view of MPEG-2 disclose, teach, or suggest a “synchronization symbol” that is separate from the claimed “packet of/having symbols” recited in every independent claim. Petitioners are wrong when they assert that “according to Patent Owner, the alleged synchronization symbol is included within the packet.” Petition, 15 n.4.

1. The synchronization symbol recited in all of the independent claims is separate from the packet of symbols in the '798 Patent.

The specification and claims of the '798 Patent are clearly directed to a synchronization symbol that is separate from the packet with which it is associated. The specification of the '798 Patent discloses how a separate synchronization symbol is used in the invention.

“In particular, the transport layer provides the packet type to the link layer. The link layer can then **transmit a synchronization**

primitive that indicates packet type **immediately before the packet itself**. The receiving communications node can take the appropriate action based on the packet type encoded in the synchronization primitive without having to parse the packet header. Indeed, the packet header may not need to separately include the packet type.” Ex. 1001, 14:43-51.

The independent claims of the '798 Patent plainly require a separate synchronization symbol that precedes the packet itself.

1. A method for transmitting packet types of packets, the method comprising:
 - receiving a packet having symbols;
 - identifying a packet type of the packet;
 - transmitting a synchronization symbol that corresponds to the identified packet type,**
 - wherein the transmitted synchronization symbol provides synchronization information and wherein each packet type has a different synchronization symbol, and the synchronization symbol permitting an external receiving node to properly align with a synchronization primitive to be correctly aligned on a symbol boundary; and
 - transmitting the symbols of the received packet.**

Ex. 1001, 37:5-17 (emphasis added).

11. A method for identifying packet types of packets of symbols, the method comprising:
 - receiving a synchronization symbol by a receiver**
 - indicating a packet type,** each packet type having a different synchronization symbol;

receiving a packet of symbols;
indicating that the received packet of symbols has the packet type
of the received synchronization symbol; and
the synchronization symbol permitting proper alignment upon
receiving with a synchronization primitive to be correctly
aligned on a symbol boundary.

Ex. 1001, 37:52-38:3 (emphasis added).

19. A communications device for transmitting packet types of
packets, comprising:
an identification component that identifies a packet type of a
packet of symbols; and
a transmission component that **transmits a synchronization
symbol that corresponds to the identified packet type**,
the transmitted synchronization symbol providing
synchronization information and each packet type having a
different synchronization symbol and permitting an external
receiving node to properly align with a synchronization
primitive to be correctly aligned on a symbol boundary, and
that **transmits the symbols of the packet**.

Ex. 1001, 38:22-33 (emphasis added).

As the Federal Circuit has held, “a claim ‘requires an ordering of
steps when the claim language, as a matter of logic or grammar, requires
that the steps be performed in the order written, or the specification
directly or implicitly requires’ an order of steps.” *Mformation Techs., Inc.
v. Research in Motion Ltd.*, 764 F.3d 1392, 1398 (Fed. Cir. 2014) (quoting
TALtech Ltd. v. Esquel Apparel, Inc., 279 F. App'x 974, 978 (Fed. Cir.

2008)). *See also Function Media, LLC v. Google, Inc.*, 708 F.3d 1310, 1320 (Fed. Cir. 2013) (concluding that a claim that recites “processing” an “electronic advertisement” necessarily indicates that “the creation of the ad must happen before the processing begins”).

Here, both the claim language and the specification directly require an order of steps in which the synchronization symbol precedes the packet of symbols.

2. The Petition identifies an alleged synchronization symbol that is within the packet.

As noted above, “Petitioners adopt, for purposes of this proceeding only, Patent Owner’s [incorrectly alleged] position that this limitation allows for the synchronization symbol to be within the packet.” Petition, 15 n.4. Petitioners’ arguments are erroneously premised on this presumption. Petitioners assert that Auld in connection with MPEG-2, Part 1 teach that Auld’s synchronization code comprises a synchronization symbol but Auld teaches that “each packet **contains** a “sync code.” *See* Petition, 17-21. Patent Owner does not agree that elements identified by Petitioners are a synchronization symbol, but that issue does not have to be resolved here because Petitioner’s alleged synchronization symbol is within the packet.

Since claims require an order of steps in which the synchronization symbol is separate from and precedes the corresponding packet of symbols, Petitioners have failed to show a reasonable likelihood of establishing unpatentability of the independent claims.

Petitioner's arguments with respect to challenged independent claims 19 and 1 point to the same alleged synchronization symbol within the packet and thus fail for the same reasons. *See* Petition, 36 n.8, 44 n.11.

3. The Board should reject Petitioner's implicit construction and deny institution.

Thus, Petitioners take two conflicting positions, neither of which is correct. First, Petitioners assert that there are not any specialized constructions necessary for purposes of addressing the grounds in this Petition, despite expressly recognizing a claim construction dispute. Petition, 6. Then, Petitioners attempt to map the prior art to the "synchronization symbol" limitation based ambiguously on "Patent Owner's understanding" of the limitation, which Petitioners purport to derive from district court infringement contentions. Yet, Petitioners provide no support for this mapping based on the disclosures of the '798 Patent. Thus, the Petition does not identify "with particularity . . . the

evidence that supports the grounds for the challenge to each claim.” *See Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1363 (Fed. Cir. 2016) (citing 35 U.S.C. § 312(a)(3)). The Board should deny institution based on Petitioners’ failure to meet their burden as to claim construction of the “synchronization symbol” limitation.

a. Ground 1 fails for the dependent claims of the ’798 Patent because it fails for the independent claims.

Because a dependent claim cannot be obvious if the independent claim from which it depends is not obvious, Petitioners have not established that dependent claims 4, 5, 6, 7, 9, 14, 15, 16, 18, 22–25, and 28 are unpatentable. *See, e.g., Comaper Corp. v. Antec, Inc.*, 596 F.3d 1343 (Fed. Cir. 2010). If an independent claim is nonobvious, then the dependent claim is also nonobvious. *In re Fine*, 837 F.2d 1071, 1076 (Fed. Cir. 1988) (“A claim that depends from a non-obvious independent claim is non-obvious because it contains all the limitations of the independent claim, plus a further limitation.”). The Board does not need to consider “arguments that certain dependent claim limitations would have been obvious where the base claim has not been proven invalid.” *SynQor, Inc. v. Artesyn Techs., Inc.*, 709 F.3d 1365, 1375 (Fed. Cir. 2013). *See also Zimmer Surgical, Inc. v. Stryker Corp.*, 365 F.Supp. 3d 466, 487-488 (D.

Del. 2019) (“As a dependent claim contains at least one more limitation than the independent claim upon which it depends, it cannot be invalid under § 102 . . . if the independent claim upon which it depends is not anticipated.”) (*citing CA, Inc. v. Simple.com, Inc.*, 780 F. Supp. 2d 196, 260 (E.D.N.Y. 2009), *Duhn Oil Tool, Inc. v. Cooper Cameron Corp.*, 2012 U.S. Dist. LEXIS 24088, 2012 WL 604138 (E.D. Cal. Feb. 23, 2012)).

B. Grounds 2 and 3 are directed to dependent claims of the '798 Patent and thus fail because Ground 1 fails for the independent claims.

Grounds 2 and 3 fail to show any reasonable likelihood that Auld in view of MPEG-2 and Shin or Auld in view of MPEG-2 and Hiroshima render obvious the challenged claims because, as discussed above, Petitioners fail to establish a reasonable likelihood that the independent claims are unpatentable.

The independent claims are broader than the dependent claims. *See Littelfuse, Inc. v. Mersen USA EP Corp.*, 29 F.4th 1376, 1380 (Fed. Cir. 2022) (“By definition, an independent claim is broader than a claim that depends from it”); *Intamin Ltd. v. Magnetar Techs., Corp.*, 483 F.3d 1328, 1335 (Fed. Cir. 2007) (“An independent claim impliedly embraces more subject matter than its narrower dependent claim.”). If

an independent claim is nonobvious, then the dependent claim is also nonobvious. *In re Fine*, 837 F.2d 1071, 1076 (Fed. Cir. 1988) (“A claim that depends from a non-obvious independent claim is non-obvious because it contains all the limitations of the independent claim, plus a further limitation.”).

IV. THE *FINTIV* FACTORS WEIGH AGAINST INSTITUTION

The Board has discretion under 35 U.S.C. § 314(a) to deny institution of the requested *inter partes* review due to the advanced state of parallel district court litigation regarding the same issues. *See NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential, designated May 7, 2019). The Board has set forth six factors (known as the “Fintiv factors”) for determining whether discretionary denial is appropriate:

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

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 5-6 (PTAB Mar. 20, 2020) (precedential, designated May 5, 2020) (“*Fintiv I*”); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 7-8 (PTAB May 13, 2020) (decision denying institution of inter partes review) (“*Fintiv II*”). “These factors relate to whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding.” *Fintiv I* at 6. In evaluating the factors, “the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.*

As set forth below, each *Fintiv* factor weighs against institution. To avoid duplication of efforts, wasting resources, and potentially inconsistent decisions, the Board should deny institution.

A. Factor 1: No stay has been entered in the LGL Case and there is no evidence that a stay will be granted

There are presently four active district court cases involving the ’798 Patent: one pending in the Eastern District of Texas (*Universal Connectivity Technologies Inc. v. Lenovo Group Limited*, No. 2:23-cv-00449-JRG (the “LGL Case”)); one pending in Delaware (*Lenovo (United States) Inc. v. Universal Connectivity Technologies Inc.*, No. 1:24-cv-

01126-RGA (the “Lenovo US Case”)¹; one pending in the Northern District of California (*Universal Connectivity Technologies Inc. v. HP Inc.*, No. 4:24-cv-04097-YGR (the “HP Case”))²; and one pending in the Western District of Texas (*Universal Connectivity Technologies Inc. v. Dell Inc.*, No. 1:23-cv-01506-RP (the “Dell Case”))³. The LGL Case is proceeding ahead of the other three cases, with a jury trial set to begin in November 2025. LGL has not filed a motion to stay in the LGL Case, nor is there any evidence to suggest a stay would be granted if such a motion was filed.

The LGL Case is not in its early stages. Jury selection is scheduled for later this year, on November 3, 2025. *See* Case No. 2:23-cv-00449-JRG at Dkt. No. 27. This is “a deadline that cannot be changed without an acceptable showing of good cause. Good cause is not shown merely by

¹ Lenovo US case is a declaratory judgment action filed by LGL’s wholly-owned, U.S.-based subsidiary Lenovo (United States) Inc., over a year after the LGL Case was filed. On December 2, 2024, UCT filed a Motion to Dismiss the Lenovo US Delaware action based on the first-to-file rule. *See* Case No. 1:24-cv-01126-RGA, Dkt. 10. Lenovo US filed its response on January 6, 2025, and UCT’s reply is due on January 20, 2025.

² HP filed a motion to stay in the HP Case which was denied. *See* HP Case, Dkt. No. 92.

³ Dell filed a motion to stay in the Dell Case which was granted. *See* Dell Case, Dkt. No. 69.

indicating that the parties agree that the deadline should be changed.” *Id.* at 5. Fact discovery – including extensive third-party discovery - is ongoing. An institution decision on the ’798 IPR Petition is not due until April 30, 2025. By that date, the parties will have substantially completed the claim construction process, with the *Markman* hearing scheduled for May 12, 2025. *See id.* at 4. A Final Written Decision would not be due until April 30, 2026, five (5) months after trial is scheduled to begin. *See id.* at 1.

It is unlikely that a stay would be granted in the LGL Case at this time. *Trover Group, Inc. v. Dedicated Micros USA*, No. 2:13-cv-1047-WCB, 2015 WL 1069179, at *6 (E.D. Tex. Mar. 11, 2015) (Bryson, J.) (“This Court’s survey of cases from the Eastern District of Texas shows that when the PTAB has not yet acted on a petition for inter partes review, the courts have uniformly denied motions for a stay.”); *see also Samsung Elecs. Co. Ltd. v. Evolved Wireless LLC*, IPR2021-00950, Paper 10 at 10-11 (PTAB Nov. 29, 2021) (“*Evolved*”) (finding this factor weighed in favor of denial and denying institution where patent owner showed a stay was unlikely based on the advanced stage of the case and the court’s past decisions denying stays); *Samsung Elecs. Co. Ltd. v. Clear Imaging*

Research, LLC, IPR2020-0152, Paper 12 at 12-13 (PTAB Mar. 3, 2021) (denying institution because, in part, Judge Gilstrap deemed unlikely to stay a case in similar circumstances).

The Eastern District of Texas is likely to find that a stay in this situation would unduly prejudice UCT, disfavoring a stay. *See, e.g., MyPort, Inc. v. Samsung Electronics Co., Ltd., et al.*, No. 2:22-cv-00114-JRG, Dkt. No. 73 (E.D. Tex. June 12, 2023) at 4 (Noting that patent owner has an interest in the timely enforcement of its patent rights and that granting a stay could delay the case by nearly two years where the PTAB decision is not due until over two months after jury trial is set to begin.). The district court is also likely to find that the stage of litigation disfavors a stay. As noted above, by the date an institution decision is due in this proceeding, the parties will have substantially completed claim construction in the district court litigation and, as further evidenced by the docket sheet, a substantial amount of work and financial resources have been invested in the district court case. Under similar circumstances, the district court has found that the stage of litigation disfavors a stay. *Id.* at 5.

Moreover, because LGL has asserted multiple invalidity theories and there are other defendants who are asserting invalidity defenses, a stay in the district court would be unlikely to simplify the issues. As district courts have recognized, when a party has raised multiple invalidity theories that will not go before the PTAB, a stay would leave in limbo these invalidity theories that will not go before the Board, weighing against a stay. *Id.* at 5-6.

As explained by the Board, a stay of the district court litigation pending resolution of the PTAB proceedings “allays concerns about inefficiency and duplication of efforts.” *Fintiv I* at 6; *Fintiv II* at 12. But here, the district court has not stayed the pending litigation, nor is there any evidence that a stay will be granted. Allowing this IPR to proceed simultaneously with the district court litigation would be wasteful and inefficient. This factor weighs against institution.

B. Factor 2: The proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision.

The ’798 Patent IPR Petition was filed on October 2, 2024, a decision whether to institute is expected approximately on April 31, 2025,

and, if instituted, any final written decision is expected approximately on April 31, 2026. 37 C.F.R. § 42.100.

Jury selection in the LGL Case is scheduled to begin on November 3, 2025. *See* LGL Case, Dkt. No. 27 at 1. This is “a deadline that cannot be changed without an acceptable showing of good cause. Good cause is not shown merely by indicating that the parties agree that the deadline should be changed.” *Id.* at 5.

Even if the Board disregards the scheduled trial date, an analysis of the current median time-to-trial statistics still weighs against institution. *See* Ex. 2001, U.S. District Courts—Federal Court Management Statistics—Profiles—September 30, 2024 Reporting Period. The most recent statistics, for a 12-month period ending September, 2024, show a median time-to-trial in the Eastern District of Texas of 21.9 months. *Id.* at 35. Accordingly, the projected trial date for purposes of *Fintiv* in accordance with Director’s June 21, 2022 Memorandum on Discretionary Denials would be in July 2025 – close to the scheduled trial date and more than nine months before the expected timing of a Final Written Decision if proceedings are instituted.

This factor weighs against institution.

C. Factor 3: The parties and the courts have made a substantial investment in the parallel proceeding.

This factor 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). For example, “if, at the time of the institution decision, the district court has issued substantive orders related to the patent at issue in the petition,” this factor favors denial. *Id.* at 9-10. Claim construction orders entered by the district court likewise “indicate that the court and parties have invested sufficient time in the parallel proceeding to favor denial.” *Id.* at 10.

As discussed above, fact discovery between the parties is ongoing in the LGL Case. In addition, UCT has conducted extensive third-party discovery from LGL’s suppliers. By the date the institution decision is due, the parties will have substantially completed the claim construction process with the *Markman* hearing scheduled for May 12, 2025. *See* LGL Case, Dkt. No. 27 at 5. As shown in the district court docket sheet, the courts and the parties have made a substantial investment in the LGL Case to date: the parties have already having briefed, and the Court has denied, LGL’s Motion to Dismiss (*see* LGL Case, Dkt. Nos. 47) and the

parties have already briefed, and the Court has granted, UCT's Motion to Compel (*see* LGL Case, Dkt. Nos. 44).

Thus, the parties and the district court will have invested significant time and resources in the litigation by the time the Board reaches an institution decision in this matter. This favors discretionary denial. *Fintiv I* at 10; *Fintiv II* at 13-14 (finding that “the level of investment and effort already expended on claim construction and invalidity contentions” favored denial).

D. Factor 4: There is complete overlap between this IPR and the LGL Case

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, Petitioners have challenged all of the asserted claims of the '798 patent and applied the same prior art references. For example, LGL's Preliminary Invalidity Contentions in the district court case identify the same Auld, Shin and Hiroshima references and the MPEG-2 Transport Stream asserted in the Petition. *See* Ex. 2002, LGL Invalidity Contentions at 1, 12, 43-44, and Exs. C-2 and C-8. Likewise, the other

two Petitioners – HP and Dell – also identified the same references in their invalidity contentions. Ex. 2003, Dell Invalidity Contentions at 1, 12, 42-43, and Exs. C-2 and C-8; Ex. 2004, HP Invalidity Contentions at 2, 11, 37-38, and Exs. C-2, C-8, and C-9.

Thus, there is complete overlap with respect to the arguments and evidence presented here and in the district court litigation for each of Grounds 1-4. That the district court case involves additional prior art references not asserted in this IPR is “not relevant to the question of the degree of overlap for this factor.” *Fintiv II* at 15.

Notably, none of the Petitioners have stipulated to not pursue in a parallel district court proceeding the same grounds as in the petition or any grounds that could have reasonably been raised in the petition (*i.e.*, a *Sotera* stipulation). Had the Petitioners done so, that could mitigate concerns of potentially conflicting decisions and duplicative efforts between the district court and the PTAB. *See Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 18-19 (PTAB Dec. 1, 2020) (precedential as to § II.A). Those concerns are particularly relevant when, as here, the Petitioners are asserting the same prior art in the district

court and the PTAB, guaranteeing duplicative efforts between the district court and the PTAB and potentially conflicting decisions.

In sum, this IPR and the district court case involve the same claims—which will be construed under the same *Phillips* standard—and the same prior art (and, as discussed below, the same parties), which raises substantial “concerns of inefficiency and the possibility of conflicting decisions.” *Fintiv I* at 12. This factor thus weighs in favor of a discretionary denial. *See Fintiv II* at 15; *NHK Spring* at 19–20.

E. Factor 5: Petitioner is the defendant in the LGL Case.

There is no dispute that Petitioners are defendants in the LGL Case, Dell Case, and HP Case. “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.

F. Factor 6: Other circumstances that impact the Board’s exercise of discretion, including the merits.

The Board may consider other circumstances in the exercise of its discretion, including the merits of the case. *Fintiv I* at 14. However, “a full analysis of the merits is not necessary to evaluate this factor.” *Fintiv II* at 17. And, it is important to note that the compelling merits standard

is a higher standard than the standard for institution set by statute. “A challenge can only ‘plainly lead to a conclusion that one or more claims are unpatentable’ if it is highly likely that the petitioner would prevail with respect to at least one challenged claim.” *OpenSky Indus., LLC v. VLSI Tech. LLC*, IPR2021-01064, Paper 102, 49 (PTAB Oct. 4, 2022) (precedential). Petitioners have not done so here, and, when considered together with the five other *Fintiv* factors discussed above, this factor also favors discretionary denial.

As discussed in detail above, the Petition does not present a reasonable likelihood of invalidity under any ground or challenged claim, let alone compelling evidence of unpatentability, and factor 6 weighs against institution.⁴ All six *Fintiv* factors strongly favor discretionary denial, and the Petition should be denied on this basis alone.

V. CONCLUSION

Petitioners have failed to show a reasonable likelihood of success in demonstrating any of the challenged claims are obvious over the cited prior art. Institution should also be denied on discretionary grounds in

⁴ The Petition is defective for other reasons as well, but a full discussion of the merits is not required in the Patent Owner’s Preliminary Response.

light of the advanced stage of relevant district court litigation and the extensive overlap in issues concerning validity. Accordingly, the Board should deny institution of the '798 Patent IPR Petition.

Date: January 31, 2025

Respectfully submitted,

/Brett Cooper/

Brett Cooper, Reg. No. 55,085
Lead counsel for Patent Owner

CERTIFICATION REGARDING WORD COUNT

Pursuant to 37 C.F.R. § 42.24(d), Patent Owner certifies that there are no more than 5,939 words in the paper, excluding the portions exempted under 37 C.F.R. § 42.24(a)(1).

Dated: January 31, 2025

/Brett Cooper/

Brett Cooper, Reg. No. 55,085

BC Law Group, P.C.

200 Madison Avenue, 24th Floor

New York, NY 10016

Phone: (212) 951-0100

bcooper@bc-lawgroup.com

CERTIFICATE OF SERVICE (37 C.F.R. § 42.6(e)(1))

The undersigned hereby certifies that the above document was served on January 31, 2025, by filing this document through the Patent Trial and Appeal Case Tracking System as well as delivering a copy via electronic mail upon the following attorneys of record for the Petitioners:

Jason R. Mudd (Reg. No. 57,700)
Phone: 816-559-2437
Email: jmudd@shb.com
Lauren E. Douville (Reg. No. 77,145)
Phone: 816-559-0348
Email: ldouville@shb.com
Shook, Hardy & Bacon L.L.P.
2555 Grand Boulevard
Kansas City, MO 64108

Brian W. Oaks (Reg. No. 44,981)
Phone: 512-726-2574
Email: boaks@mwe.com
Nick Schuneman (Reg. No. 62,088)
Phone: 512-726-2572
Email: nschuneman@mwe.com
McDermott Will & Emery LLP
303 Colorado Street, Suite 2200
Austin, TX 78701

Tessa Kroll (Reg. No. 79,327)
McDermott Will & Emery LLP
444 West Lake Street, Suite 4000
Chicago, IL 60606
TEL: 312-984-6973
Email: tkroll@mwe.com

Scott Weidenfeller (Reg. No. 54,531)

Email: sweidenfeller@cov.com
David A. Garr (Reg. No. 74,932)
Email: dgarr@cov.com
Covington & Burling LLP
One CityCenter,
850 Tenth Street, N.W.
Washington, DC 20001-4956
Phone: 202-662-5923
Fax: 202-778-5923

W. Karl Renner (Reg. No. 41,265)
Email: AXF-PTAB@fr.com
Adam Shartzter (Reg. No. 57,264)
Email: Shartzter@fr.com
Craig Deutsch (Reg. No. 69,264)
Email: Deutsch@fr.com
Jonathan Driesslein (Reg. No. 82,202)
Email: Driesslein@fr.com
Fish & Richardson P.C.
60 South Sixth Street, Suite 3200
Minneapolis, MN 55402
Tel: 202-783-5070
Fax: 877-769-7945

IPR55851-0010IP1@fr.com
PTABInbound@fr.com
HP-UCT-IPR@shb.com
DL-DELL-UCT-MWE@mwe.com
Lenovo-UCT-IPR@cov.com

Date: January 31, 2025

/Brett Cooper/

BC Law Group, P.C.
200 Madison Avenue, 24th Floor
New York, NY 10016
(212) 951-0100

Brett Cooper
Reg. No. 55,085
Attorney for Patent Owner