UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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NOKIA OF AMERICA CORP., ERICSSON INC., AT&T SERVICES, INC., CELLCO PARTNERSHIP D/B/A VERIZON WIRELESS, and T-MOBILE USA, INC.,

Petitioner

v.

PEGASUS WIRELESS INNOVATION LLC,

Patent Owner

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Case No. IPR2025-00036

U.S. Patent No. 10,627,631 B2

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REQUEST FOR DIRECTOR REVIEW

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Patent Trial and Appeal Board
US Patent and Trademark Office
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TABLE OF CONTENTS

I. LEGAL STANDARDS 1

II. ARGUMENT 1

A. COMPELLING ECONOMIC INTERESTS REQUIRE INSTITUTION. 2
B. THE BOARD ERRED IN ITS EVALUATION OF THE *FINTIV* FACTORS. 3

LIST OF EXHIBITS

Exhibit	Short Name	Description
Ex. 1001	The ’631 Patent	U.S. Patent No. 11,627,631 B2
Ex. 1002		Prosecution History of U.S. Patent No. 11,627,631 B2
Ex. 1003		Declaration of Dr. Michael Kotzin
Ex. 1004		*Curriculum Vitae* of Dr. Michael Kotzin
Ex. 1005		KR Provisional Application No. 10-2016-0146054
Ex. 1006	The 2016 KR Document	Certified English Translation of KR Provisional Application No. 10-2016-0146054
Ex. 1007		KR Provisional Application No. 10-2017-0142205
Ex. 1008	The 2017 KR Document	Certified English Translation of KR Provisional Application No. 10-2017-0142205
Ex. 1009	The ’777 Patent	U.S. Patent No. 11,044,777 B2
Ex. 1010		Prosecution History of U.S. Patent No. 11,044,777 B2
Ex. 1011	R3-173152	Xn Based Mobility Across RA
Ex. 1012		Declaration of Craig Bishop regarding Certification of Publication of R3-173152, TS 36.300, TR 38.801, TR 21.905, TS 38.300, and TR 23.799
Ex. 1013	TR 38.801	3GPP TR 38.801 V0.4.0 (2016-08) 3rd Generation Partnership Project; Technical Specification Group Radio Access Network; Study on New Radio Access Technology; Radio Access Architecture and Interfaces (Release 14)

Exhibit	Short Name	Description
Ex. 1014		WIPO Publication No. 2018/059592 A1 (of PCT Application No. PCT/CN2017/105046)
Ex. 1015	Han	Certified English Translation of WIPO Publication No 2018/059592 A1 (of PCT Application No. PCT/CN2017/105046)
Ex. 1016		CN Application 20160875317.9
Ex. 1017	Han-CN	Certified English Translation of CN Application 20160875317.9
Ex. 1018	TR 21.905	3GPP TR 21.905 V13.1.0 (2016-06) 3rd Generation Partnership Project; Technical Specification Group Services and System Aspects; Vocabulary for 3GPP Specifications (Release 13)
Ex. 1019	TS 38.300	3GPP TS 38.300 V0.6.0 (2017-08) 3rd Generation Partnership Project; Technical Specification Group Radio Access Network; NR; NR and NG-RAN Overall Description; Stage 2 (Release 15)
Ex. 1020	TR 23.799	3GPP TR 23.799 V1.1.0 (10-2016) 3rd Generation Partnership Project; Technical Specification Group Services and System Aspects; Study on Architecture for Next Generation System (Release 14)
Ex. 1021	LTE-Advanced	Sassan Ahmadi, LTE-Advanced A Practical Systems Approach to Understanding the 3GPP LTE Releases 10 and 11 Radio Access Technologies (2014)
Ex. 1022	Huang-Fu	United States Patent Publication No. 2016/0080992, "Method of Inter-RAT Bearer Change for 3GPP System," Published March 27, 2016
Ex. 1023	Fujishiro	United States Patent Publication No. 2015/0043422, "Communication Control Method," Published February 12, 2015

Exhibit	Short Name	Description
Ex. 1024	TS 36.300	3GPP TS 36.300 V.13.4.0 (2016-06) 3rd Generation Partnership Project; Technical Specification Group Radio Access Network; Evolved Universal Terrestrial Radio Access (E-UTRA) and Evolved Universal Terrestrial Radio Access Network (E-UTRAN); Overall description; Stage 2 (Release 13)
Ex. 1025		*Pegasus Wireless Innovation LLC v. Verizon Communications Inc. et al,* Nos. 2:23-cv-00640, 2:23-cv-00638, 2:23-cv-00639 (E.D. Tex) First Amended Docket Control Order
Ex. 1026		*Pegasus Wireless Innovation LLC v. Verizon Communications Inc. et al,* Nos. 2:23-cv-00640, 2:23-cv-00638, 2:23-cv-00639 (E.D. Tex.) Consolidation Order
Ex. 1027		*Pegasus Wireless Innovation LLC v. Verizon Communications Inc. et al,* Nos. 2:23-cv-00640, 2:23-cv-00638, 2:23-cv-00639 (E.D. Tex.) Protective Order from Non-Jurisdictional Discovery

AT&T Services, Inc. ("AT&T"), Cellco Partnership d/b/a Verizon Wireless ("Verizon"), and T-Mobile USA, Inc. ("T-Mobile"), (collectively "Carriers") submit this Request for Director Review of the Institution Decision (Paper 14, "ID") because the Board has improperly discretionarily denied a "strong" petition that challenged the claims of a foreign entity even in the face of a *Sotera* stipulation.

I. LEGAL STANDARDS

Director review of a Board decision may be warranted when the decision includes "(a) abuse of discretion, (b) important issues of law or policy, (c) erroneous findings of material fact, or (d) erroneous conclusions of law." USPTO Website, Director Review Process. Requests for Director Review must be filed within thirty days of the entry of a decision not to institute a trial. 37 C.F.R. § 42.71(d).

II. ARGUMENT

On April 25, 2025, a Panel denied institution of IPR2025-00036 on purely discretionary grounds, despite the presence of a *Sotera* stipulation and a determination that the Petition's "merits are strong." ID, 16. In so doing, the PTAB elected to prioritize the patent rights of a foreign corporation without any domestic presence over America's telecommunications Carriers. In addition to the Board's mishandling of the *Fintiv* factors, the Board erred because it did not consider the additional compelling economic interests at play in this case.

A. Compelling economic interests require institution.

The patent at issue is owned by KT Corp. ("KT")—a Korean telecommunications carrier—that does not have employees or operations in the United States, and which is actively resisting the ability of the United States District Court for the Eastern District of Texas to exercise jurisdiction over it. *Pegasus Wireless Innovation LLC v. Cellco Partnership d/b/a Verizon Wireless et al.*, No. 2:23-cv-00640-JRG Dkt. 206 (E.D. Tex. Jan. 17, 2025). KT granted a non-practicing entity—Pegasus Wireless Innovation LLC—a "hunting license" in the form of an exclusive license that would allow Pegasus to try and extract massive licensing fees from the Carriers while KT remained out of reach of the United States legal system.

This is the wrong fact pattern for a discretionary denial: it is a clear-cut case of a wholly foreign company targeting domestic companies using our own patent and legal systems to expatriate American dollars. If successful, the efforts of KT and Pegasus will impact jobs and salaries in the United States. The Carriers employ hundreds of thousands of Americans across the country and provide network and connectivity solutions to hundreds of millions of Americans as well as the Federal Government. The Carriers operate in all 50 states and pay billions of dollars in taxes every single year to the Federal Government.

In addition, the timing of the discretionary denial—while possibly permissible—is not equitable. The Complaints in the cases against the Carriers were

served on January 3, 2024. After sifting through voluminous infringement contentions that were not received until March 18, 2024, and performing prior art searching, the Carriers filed an IPR on October 21, 2024. After receiving KT's POPR on January 30, 2025, the Carriers filed a *Sotera* stipulation on March 21, 2025. *See* Paper 12. Unfortunately for the Carriers, the USPTO rescinded the prior guidance regarding *Fintiv* and the impact of a *Sotera* stipulation on February 28, 2025. ***This changed the rules in the midst of the Carriers' IPR***, and allowed the PTAB to effectively ignore the *Sotera* stipulation and decline to institute a petition where the "merits are strong." ID, 16.

The USPTO's 2018-2022 Strategic Plan, which is the current operative plan, makes it clear that "[t]o keep competitive in an increasingly globalized economy, large and small American businesses need as much certainty as possible in the creation, enforcement, and protection of their IP, both domestically and abroad." USPTO 2018-2022 Strategic Plan, p. 13. Denying a compelling Petition to protect the invalid patents of a foreign corporation seeking to extract licensing fees from American companies is flatly inconsistent with this core principle of the USPTO.

B. <u>The Board erred in its evaluation of the *Fintiv* factors.</u>

The Board erred in its evaluation of the *Fintiv* factors for several reasons. *First*, even if trial were to proceed on September 8, 2025, which it likely will not,

the first trial would only proceed with respect to one of the three Carriers. The trials involving the other Carriers have not yet been scheduled. *See HP Inc., et al. v. Neodron Ltd.*, IPR2020-00459, Paper 17 at 36, 38 (P.T.A.B. Sept. 14, 2020) *see also Google LLC v. Uniloc 2017 LLC*, IPR2020-00441, Paper 13 at 35 (PTAB July 17, 2020) (Institution Decision) ("The fact that no trial date has been set weighs significantly against exercising our discretion to deny institution of the proceeding."); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 13-14 (PTAB Mar. 20, 2020) (precedential) ("If a petitioner is unrelated to a defendant in an earlier court proceeding, the Board has weighed this fact against exercising discretion to deny institution under *NHK*."). Given that the majority of Carriers do not have a scheduled trial date underscores that the Board erred when evaluating *Fintiv* factor 2. As such, *Fintiv* factor 2 weighs in favor of institution.

Second, Petitioner's entered a *Sotera* stipulation in this case. *See* Paper 12. The *Sotera* stipulation mitigates any concerns regarding duplicative invalidity arguments relating to anticipation and/or obviousness. In fact, Defendants have not proffered any invalidity contentions based on unpublished system prior art and, thus, there is no danger of "combinations of the prior art asserted in these proceedings with unpublished system prior art". *Motorola Sols., Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19 at 4 (P.T.A.B. Mar. 28, 2025); *see also* Exs. 2004 and 2005). Despite the lack of overlap, the Board pointed to "Petitioner's invalidity contentions

[that] challenge written description support under 35 U.S.C. § 112(a) for independent claims 1, 7, and 13 in the '631 Patent." ID, 14 citing Ex. 2004, 353. But § 112 is unrelated to the Board's findings regarding anticipation and obviousness and is outside the scope of what is considered in an IPR. As such, *Fintiv* factor 4 weighs in favor of institution.

Third, Patent Owner asserted 11 patents. *After* the institution decision in this case and *after* relying on the assertion of all 11 patents to argue that the district court offered a more efficient venue for assessing validity, Patent Owner dropped four of the patents from this case and will drop more patents/claims prior to trial. In its briefing regarding the patents that are no longer being asserted, Patent Owner *contends* the validity of the patents that are still at issue, such as this one, are the only ones relevant to the global dispute between the parties. *See* IPR2025-00083, Paper 14 at 1 (arguing that because "Patent Owner did not serve an expert infringement report regarding the '463 patent makes the validity of the '463 patent less important to the global dispute between the parties"). It is undisputed that in the present IPR the Board is left with a patent that Patent Owner contends is important to the global dispute and has been challenged by a "strong" IPR. This is the type of case where the Board must institute IPR.

Altogether, the multiple unscheduled trials, the *Sotera* stipulation, and the strong merits outweigh all other *Fintiv* factors. As such, the Board erred when it

denied institution of IPR.

* * *

Because the Board committed error, the Director should review and vacate the Institution Decision.

Date: May 27, 2025

By: /Christopher TL Douglas /
Christopher TL Douglas

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §42.6(e), the undersigned hereby certifies that a true and correct copy of the above-captioned **REQUEST FOR DIRECTOR REVIEW** was served in its entirety on May 27, 2025, via filing through the Patent Trial and Appeal Case Tracking System (P-TACTS), as well as by delivering copies via electronic mail to the following:

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Respectfully submitted,

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