

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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.

IPR2025-00037
Patent 10,616,932 B2

Before KRISTEN L. DROESCH, BARBARA A. PARVIS, and
KEVIN W. CHERRY, *Administrative Patent Judges*.

CHERRY, *Administrative Patent Judge*.

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

I. INTRODUCTION

A. Background

Nokia of America Corp., Ericsson Inc., AT&T Services, Inc., Cellco Partnership d/b/a Verizon Wireless, and T-Mobile USA, Inc. (“Petitioner”) filed a Petition (Paper 6, “Pet.”) requesting *inter partes* review of claims 1, 2, 4, 8, 9, and 11 of U.S. Patent No. 10,616,932 B2 (Ex. 1001, “the ’932 patent”). Pegasus Wireless Innovation LLC (“Patent Owner”) filed a Preliminary Response (Paper 10, “Prelim. Resp.”).¹ With our authorization, Petitioner filed a Reply to the Preliminary Response (Paper 12, “Reply”), and Patent Owner filed a Sur-reply (Paper 13, “Sur-reply”).

We have jurisdiction under 35 U.S.C. § 6.

Upon consideration of the arguments and evidence presented by the parties, we exercise our discretion and *deny* the Petition.

B. Related Proceedings

Petitioner indicates that the ’932 patent is the subject of the following litigation:

Pegasus Wireless Innovation LLC v. AT&T Inc. et al., No. 2:23-cv-00638 (E.D. Tex.);

Pegasus Wireless Innovation LLC v. T-Mobile US, Inc. et al., No. 2:23-cv-00639 (E.D. Tex.); and

¹ Patent Owner’s mandatory notices (Paper 8, 1) state that Pegasus Wireless Innovation LLC is the Patent Owner. For consistency, we will use the terminology “Pegasus Wireless Innovation LLC” and “Patent Owner” interchangeably herein. We note, however, that Pegasus Wireless Innovation LLC is an exclusive licensee. Prelim. Resp. 1; *see also* Reel 065219, Frames 0144–180 (recorded exclusive license).

Pegasus Wireless Innovation LLC v. Verizon Communications Inc. et al., No. 2:23-cv-00640 (E.D. Tex.) (hereafter, “the parallel district court proceeding”). Pet. 90–91.

Patent Owner also identifies these matters as related. Paper 11 (Updated Mandatory Notice Information). Patent Owner also states the following is a complete list of IPRs involving patents-at-issue in the above-recited litigations:

IPR	Filed	Patent No.
IPR2025-00036	10/21/24	11,627,631
IPR2025-00037	10/18/24	10,616,932
IPR2025-00083	11/15/24	10,638,463
IPR2025-00084	11/15/24	11,219,000
IPR2025-00137	12/24/24	11,540,272
IPR2025-00138	11/27/24	10,181,931
IPR2025-00290	12/26/24	10,721,118
IPR2025-00291	12/27/24	10,594,460
IPR2025-00292	12/31/24	9,894,644
IPR2025-00293	12/31/24	10,009,161
IPR2025-00317	12/24/24	11,405,942

Paper 11, 1.

C. The '932 Patent (Ex. 1001)

1. Disclosure

The '932 patent, titled “Method for Configuring Wireless Connection of Terminal and Apparatus Therefor,” relates to “a method of configuring a wireless connection of a terminal in a mobile communications network and an apparatus therefor, and more particularly, to a signaling method for radio

resource control in a mobile communications network and an apparatus therefor.” Ex. 1001, code (54), 1:17–22.

2. Claims 1, 2, 4, 8, 9, and 11

Petitioner challenges claims 1, 2, 4, 8, 9, and 11. Pet. 1–2.

Claims 1 and 8 are the independent claims from which claims 2 and 4, and 9 and 11, depend, respectively. Claim 1 is illustrative, and is reproduced below.

1. A method of configuring, by an access unit, a wireless connection of a terminal, the method comprising:
receiving an uplink radio resource control (RRC) message from a terminal, including the uplink RRC message into a first message, and transmitting the first message to a central unit;
receiving a second message from the central unit, where the second message includes a downlink RRC message in response to the uplink RRC message from the terminal; and
transmitting the downlink RRC message to the terminal, wherein the access unit and the central unit distinguish signaling radio bearers based on radio bearer identification information included in the first message and the second message.

Ex. 1001, 23:62–24:9.

D. Asserted References

Petitioner relies on the following references²:

Name	Reference	Ex. No.
Lin1	International Pub. WO 2016/061789 A1, published April 28, 2016	1003 (translation)
Lin2	International Pub. WO 2016/061791 A1, published April 28, 2016	1005 (translation)
Zhang	International Pub. WO 2014/127525 A1, published Aug. 28, 2014	1007 (translation)

Petitioner also relies on the Declaration of Michael Kotzin (Ex. 1011) and the Declaration of Craig Bishop (Ex. 1013) as support for the various contentions.

E. Asserted Grounds

Petitioner contends that claims 1, 2, 4, 8, 9, and 11 of the '932 patent are unpatentable under the following grounds:

² We limit the list to the references cited in the asserted grounds. *See* section I.E. Petitioner discusses other publications (not listed here) in, for example, the background section of the Petition. *See* Pet. 3–4 (“IV. BACKGROUND”).

Ground	Claims Challenged	35 U.S.C. §	Reference(s)/Basis
1	1, 2, 4, 8, 9, 11	§ 103 ³	Lin1
2	1, 2, 4, 8, 9, 11	§ 103	Lin1 in view of Lin2
3	1, 2, 4, 8, 9, 11	§ 103	Lin1 in view of Zhang

Pet. 2.

II. ANALYSIS

A. Discretionary Denial

Institution of an *inter partes* review is discretionary, not mandatory. See 35 U.S.C. § 314(a) (authorizing institution of an *inter partes* review under particular circumstances, but not requiring institution under any circumstances); *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2140 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”); *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“[T]he PTO is permitted, but never compelled, to institute an IPR proceeding.”).

When determining whether to exercise discretion to deny institution in view of a parallel proceeding, we consider the following factors:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;

³ The Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (“AIA”), amended 35 U.S.C. §§ 102 and 103, effective March 16, 2013. Because the challenged claims of the ’932 patent have an effective filing date after the effective date of the applicable AIA amendments, we refer to the AIA versions of 35 U.S.C. §§ 102 and 103 throughout this Decision.

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.

See Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 6 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”). “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.” *Id.* In evaluating the *Fintiv* factors, we take “a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review,” recognizing that “there is some overlap among these factors” and that “[s]ome facts may be relevant to more than one factor.” *Id.*

On February 28, 2025, the USPTO rescinded the prior USPTO Director’s memorandum titled “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation” (“Interim Procedure”). On March 24, 2025, the Chief Administrative Patent Judge issued a memorandum titled “Guidance on USPTO’s rescission of ‘Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation’” (“Chief Judge Memo”).⁴ According to the Chief Judge Memo, the purpose of the rescission was “to restore policy

⁴ Available at https://www.uspto.gov/sites/default/files/documents/guidance_memo_on_interim_procedure_rescission_20250324.pdf

. . . to the guidance in place before the Interim Procedure, including the precedential decisions in [*Fintiv*] and *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (*‘Sotera’*.” Chief Judge Memo 1. Subsequently, on March 26, 2025, the Acting Director of the USPTO issued a memorandum titled “Interim Processes for PTAB Workload Management” (“Acting Director Memo”).⁵ The new processes outlined in the Acting Director Memo do not apply to this proceeding because the deadline for the filing a preliminary response has already passed. *See* Acting Director Memo 3.

Petitioner argues the Board should not deny institution under *Fintiv*. Pet. 85–89; Reply 5. Patent Owner argues the Board should deny institution under *Fintiv*. Prelim. Resp. 24–43; Sur-reply 4–5.

1. Whether a stay exists or is likely to be granted if a proceeding is instituted

Petitioner argues Factor 1 weighs against discretionary denial. Pet. 86. Petitioner asserts that “[i]n the district court litigation, counterclaim defendant and patent owner KT Corporation (‘KT’) has disputed jurisdiction.” *Id.* Petitioner notes that “[t]he parties are engaged in jurisdictional discovery, and KT is seeking a protective order from (or stay of) non-jurisdictional discovery.” *Id.* (citing Ex. 1016). Petitioner submits that “[i]f granted, KT’s requested relief could extend the district court trial date, which ‘allays concerns about inefficiency and duplication of efforts’ in the PTAB.” *Id.*

⁵ Available at <https://www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf>

Patent Owner submits that Petitioner has not moved to stay the district court litigation. Prelim. Resp. 25. Patent Owner argues that there is no evidence that the jurisdictional discovery has, or will, delay the underlying litigation. *Id.* at 25–26. Thus, Patent Owner argues that Factor 1 favors denial.

Because a stay has not be granted, and we have no basis to speculate that a stay may be granted in the future, we determine that the considerations of the first *Fintiv* factor are neutral.

2. The Trial Date in the Related District Court Litigation

Patent Owner argues *Fintiv* factor 2 weighs in favor of denying institution because the trial in the parallel district court proceeding is set to commence on September 8, 2025, nearly seven months before the Board’s final decision would be expected to be due, on or about April 30, 2026. Prelim. Resp. 26 (citing Ex. 1014, 2). Patent Owner asserts that this trial date is consistent with the median time to trial statistics for the Eastern District of Texas, where the litigation is pending. *Id.* at 27–29 (citing Ex. 2003, 5); *see also* Chief Judge Memo at 3 (“[T]he Board may consider any evidence that the parties make of record that bears on the proximity of the district court’s trial date . . . including median time-to-trial statistics for civil actions in the district court in which the parallel litigation resides.”).

Petitioner argues that this factor is “at least neutral” because the trial date is “far in the future” and would proceed with respect to only one of the three cases. Pet. 86. Petitioner asserts that “there are explicit and inherent uncertainties with this case given the number of parties involved and the number of trials regarding this patent.” *Id.* Petitioner contends that “given the existence of three cases each with multiple parties, to include multiple intervenors, the likelihood that any trials will be scheduled serially, the

potential length of the trials given the number of patents at issue (11) and claims at issue, and post-trial motions, it is likely that the district court proceedings will not be complete before the final written decision in this matter.” *Id.* at 87. Petitioner assert that “these cases additionally will likely be delayed because (as explained earlier) counterclaim defendant and patent owner KT has disputed jurisdiction and is seeking a protective order from (or stay of) non-jurisdictional discovery.” *Id.* Thus, Petitioner argues that “[a]ltogether, this factor weighs against discretionary denial.” *Id.*

We are not swayed by Petitioner’s speculation as to the trial date for the parallel district court proceeding as well as arguments regarding potential trial dates for the other two district court proceedings. Due to the actual trial date of the parallel district court proceeding having been set to occur more than seven months before an expected final written decision in this proceeding, as well as a projected trial date based on time-to-trial statistics of more than six months before an expected final written decision, we determine that the considerations of the second *Fintiv* factor weigh in favor of exercising discretion to deny institution of *inter partes* review.

3. Investment in the Parallel Proceeding by the District Court and the Parties

We consider now the amount and type of work already completed in the district court and by the parties at the time of the institution decision. *See Fintiv* at 9.

Patent Owner argues this factor weighs in favor of denial. Prelim. Resp. 30–34. Patent Owner asserts that the parties “will have expended considerable resources in the parallel litigation, including the merits of Petitioners’ invalidity positions by the time the Board issues an institution

decision.” *Id.* at 31. In particular, Patent Owner contends that, by the time of institution (approximately April 30, 2025), the parties will have exchanged infringement and invalidity contentions, fact discovery will be complete, Petitioner’s expert witness disclosures regarding invalidity and Patent Owner’s expert witness disclosures regarding infringement will have been served, and the parties will have completed claim construction briefing and the *Markman* hearing. *Id.* at 33–34.

Patent Owner further asserts that Petitioner delayed filing this Petition until October 18, 2024, which was seven months after Petitioner was served infringement contentions on March 18, 2024, and five months after Petitioner served their invalidity contentions on May 17, 2024. *See* Prelim. Resp. 31. According to Patent Owner, “Petitioner[] provide[s] no justification for the delay in filing their Petition,” which the PTAB has found weighs in favor of denial of institution. *Id.* at 31–32 (citations omitted). More specifically, Patent Owner argues that Petitioner’s invalidity contentions include claim charts addressing the same references asserted in every ground of its Petition for every claim challenged, but provide no justification for delaying five months to file its Petition when it had already sufficiently developed invalidity theories in the district court pleadings. *See id.* at 32.

Petitioner argues that this factor weighs against discretionary denial. Pet. 87–88. In particular, Petitioner contends that the cases are “in their early stages” and the district court has not yet issued any substantive rulings. *Id.* at 87.

We agree with Patent Owner that this factor weighs in favor of discretionary denial. The parties have exchanged contentions and the district court has held its *Markman* hearing, fact discovery is (or soon will be)

closed, and the parties are set to exchange initial expert reports. We find this investment to be significant, particularly given the approaching trial date. Moreover, we agree with Patent Owner that the unexplained delay by Petitioner in filing this Petition even though its invalidity contentions were complete in May 2024 also weighs in favor of exercising our discretion.

Based on the substantial investment in the parallel district court proceeding by the parties and court, and the delayed timing of the Petition filing, we determine that the considerations of the third *Fintiv* factor weigh in favor of exercising discretion to deny institution of *inter partes* review.

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

This factor evaluates “concerns of inefficiency and the possibility of conflicting decisions” when substantially identical prior art is submitted in both the district court and the *inter partes* review proceedings. *Fintiv* at 12.

In the Preliminary Reply, Petitioner provides the following stipulation:

To mitigate any duplication concerns, if this IPR is instituted, Petitioners will not pursue in District Court litigation the specific grounds asserted in this proceeding, or any other ground that was raised or could have been reasonably raised in an IPR (i.e., any ground that could be raised under §§ 102 or 103 on the basis of prior art patents or printed publications).

Prelim. Reply 5 (citing *Sotera; BMW of No. Am., LLC. v. Northstar Sys. LLC*, IPR2023-01017, Paper 12 at 10 (PTAB Dec. 8, 2023)).

Patent Owner argues this stipulation “does not outweigh the significant weight in favor of discretionary denial.” Sur-reply 5. Patent Owner asserts that “[c]onsidering the significantly earlier trial date, Petitioners’ attempt to peel off a small subset of the case’s invalidity issues

for this IPR would be an inefficient use of resources.” *Id.* Patent Owner contends that “[t]his case presents a situation where a broad, multi-patent suit can be fully resolved many months before the Board issues a final written decision here.” *Id.* Patent Owner notes that “[t]he district court would consider the issues raised in this IPR, and also all other validity and infringement issues involving the challenged patent.” *Id.* Patent Owner submits that “[c]arving Petitioners’ challenges from that dispute would not help drive resolution of the dispute, and Petitioners have not explained any efficiencies that would arise from the Board issuing a final written decision many months after the district court trial.” *Id.*

We generally agree with Petitioner that its *Sotera* stipulation serves to reduce the overlap with the parallel district court proceeding, but we also agree with Patent Owner that some issues will remain—the district court will still have to resolve various § 112 issues raised by the Petitioner. But weighing all the circumstances, we find that this factor weighs against exercising our discretion to deny institution. *See* Chief Judge Memo at 2 (“[A] timely-filed *Sotera* stipulation . . . is highly relevant, but will not be dispositive by itself.”).

5. *Identity of Petitioner and the Defendant in the Underlying Litigation*

Patent Owner argues this factor weighs in favor of exercising discretion because the parties overlap.

Petitioner argues that this factor is neutral “as it is ‘far from an unusual circumstance that a petitioner in *inter partes* review and a defendant in a parallel district court proceeding are the same.’” Pet. 88.

We find this factor weighs in favor of exercising our discretion because the parties involved in this proceeding and the district court litigation at issue are the same.

6. Other Circumstances That Impact the Board's Exercise of Discretion, Including the Merits

Under the sixth *Fintiv* factor, we consider “other circumstances that impact the Board’s exercise of discretion, including the merits.” *Fintiv* at 6.

Patent Owner argues the complexity and breadth of the dispute between the parties weighs in favor resolving all the parties’ disputes in a single forum. Prelim. Resp. 40–41. Patent Owner argues that although all eleven patents are at issue in the underlying district court litigations, these same eleven patents are spread out into eleven IPRs filed between October 2025 and January 2026, with Final Written Decision due dates spanning from April to September 2026. *Id.* at 39–40. Thus, Patent Owner submits that efficiency considerations weigh strongly in favor of denial.

Patent Owner further argues that Petitioner does not present a compelling patentability challenge and that we need not decide the merits of the patentability challenge because the merits are not compelling, and, regardless, will not outweigh the other *Fintiv* factors. *Id.* at 42.

Petitioner argues that this factor “weighs strongly against discretionary denial” and “this is a compelling case, and the merits of the Petition are strong.” Pet. 89.

We have reviewed the Petition, Preliminary Response, Reply, and Sur-Reply and decline to find that Petitioner’s challenge is strong. Patent Owner put forward a plausible argument regarding whether the references teach or suggest limitation [1.C]. However, even if we agreed with

Petitioner and found that they presented a compelling case of unpatentability, we do not agree that it would outweigh the other considerations in this factor and the other *Fintiv* factors in case.

We determine that resolution of all of the disputes based on all of the issues between the parties regarding the challenged patent before the district court, which likely would occur many months before a subset of the issues could be resolved before the Board, would be more efficient and, therefore, weighs in favor of exercising discretion to deny institution of *inter partes* review. Thus, we determine the strength of the merits in this proceeding are outweighed by the efficiency and timeliness of the parallel district court proceeding and, therefore, determine that the additional considerations of the sixth *Fintiv* factor weigh in favor of exercising our discretion to deny institution.

7. Conclusion on Discretionary Denial Under § 314(a)⁶

We have considered the circumstances and facts before us in view of the *Fintiv* factors. We take “a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review” when evaluating these factors. *Fintiv*, at 6. As discussed above, Factor 4 weighs against discretionary denial, Factor 1 is neutral, and Factors 2, 3, 5, and 6 weigh in favor of discretionary denial of institution. Although Petitioner has submitted a *Sotera* stipulation, we find that the stipulation does not outweigh Factors 2, 3, 5, and 6. In addition, we note that the

⁶ Petitioner also contends the Board should not decline institution pursuant to § 325(d) or *General Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential) (“*General Plastic*”). Pet. 83–85, 89. Patent Owner does not make any arguments in connection with § 325(d) or *General Plastic*. See generally Prelim. Resp.

Petition does not show that the merits of its patentability challenges are particularly strong under Factor 6, and we determine that the number of even later-filed petitions and efficiency of resolving all of these disputes in a single proceeding in district court weighs in favor of exercising our discretion in this case.

Accordingly, we determine that the evidence of record favors exercising our discretion under 35 U.S.C. § 314(a) to deny institution of an *inter partes* review.

III. CONCLUSION

For the foregoing reasons, the evidence of record favors exercising our discretion to deny institution of an *inter partes* review under 35 U.S.C. § 314(a).

IV. ORDER

It is

ORDERED that the Petition is *denied*, and no trial is instituted.

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