

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.,
Petitioners,

v.

PEGASUS WIRELESS INNOVATION LLC,
Patent Owner.

Case IPR2025-00037
Patent 10,616,932

**PATENT OWNER'S AUTHORIZED RESPONSE
TO PETITIONERS' REQUEST FOR DIRECTOR REVIEW¹**

¹ This Response was authorized by the Board (Ex. 3100).

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PATENT OWNER'S EXHIBIT LIST

Exhibit No.	Description
2001	Memorandum Opinion and Order in <i>Pegasus Wireless Innovation LLC v. Verizon Communications Inc. et al.</i> , Nos. 2:23-cv-00640, 2:23-cv-00638, 2:23-cv-00639 (E.D. Tex Dec. 11, 2024)
2002	Memorandum Opinion and Order in <i>Pegasus Wireless Innovation LLC v. Verizon Communications Inc. et al.</i> , Nos. 2:23-cv-00640, 2:23-cv-00638, 2:23-cv-00639 (E.D. Tex Dec. 23, 2024)
2003	Comparison of Districts Within the Fifth Circuit — 12-Month Period Ending September 30, 2024 (available at https://www.uscourts.gov/sites/default/files/2024-12/fcms_na_distcomparison0930.2024.pdf)
2004	Defendants' Preliminary Invalidity Contentions in <i>Pegasus Wireless Innovation LLC v. Verizon Communications Inc. et al.</i> , Nos. 2:23-cv-00640, 2:23-cv-00638, 2:23-cv-00639 (E.D. Tex May 17, 2024)
2005	Reserved
2006	Reserved
2007	Reserved
2008	Reserved
2009	Appendix C to Defendants' Preliminary Invalidity Contentions in <i>Pegasus Wireless Innovation LLC v. Verizon Communications Inc. et al.</i> , Nos. 2:23-cv-00640, 2:23-cv-00638, 2:23-cv-00639 (E.D. Tex May 17, 2024)
2010	Ex. C-1 of Appendix C to Defendants' Preliminary Invalidity Contentions in <i>Pegasus Wireless Innovation LLC v. Verizon Communications Inc. et al.</i> , Nos. 2:23-cv-00640, 2:23-cv-00638, 2:23-cv-00639 (E.D. Tex May 17, 2024)
2011	Ex. C-3 of Appendix C to Defendants' Preliminary Invalidity Contentions in <i>Pegasus Wireless Innovation LLC v. Verizon Communications Inc. et al.</i> , Nos. 2:23-cv-00640, 2:23-cv-00638, 2:23-cv-00639 (E.D. Tex May 17, 2024)
2012	Ex. C-2 of Appendix C to Defendants' Preliminary Invalidity Contentions in <i>Pegasus Wireless Innovation LLC v. Verizon</i>

Exhibit No.	Description
	<i>Communications Inc. et al.</i> , Nos. 2:23-cv-00640, 2:23-cv-00638, 2:23-cv-00639 (E.D. Tex May 17, 2024)
2013	U.S. Patent 10,257,881 (Lin1 Counterpart)
2014	U.S. Patent 10,728,876 (Lin2 Counterpart)
2015	U.S. Patent 9,807,752 (Zhang Counterpart)
2016	Reserved
2017	Reserved

Petitioners' Request for Director Review ("Request") should be denied because Petitioners improperly introduce new arguments not raised below, and because Petitioners fail to establish any abuse of discretion or any other reason justifying review of the Board's decision to deny institution.

I. Petitioners Never State Their Asserted Basis for Director Review

"Requests for Director Review ... shall be limited to decisions presenting (a) an abuse of discretion, (b) important issues of law or policy, (c) erroneous findings of material fact, or (d) erroneous conclusions of law." *See* Director Review Process, available at <https://www.uspto.gov/patents/ptab/decisions/director-review-process>, updated May 23, 2025 (hereinafter, "Process"), Section 2.B. While Petitioners quote this limitation on the Request process, they fail to identify the basis on which they seek review. Instead, they assert that the "Board erred because it did not consider the additional compelling economic interests at play in this case." Request, 1. Notably, these "additional compelling economic interests" were never raised below, and are not of record. This is improper. Petitioners also assert that the Board allegedly "mishandl[ed]" the *Fintiv* factors, but they simply try to relitigate issues already properly considered by the panel, without even attempting to establish that the Board's decision falls into an available category for Director review.

II. New Arguments in a Request for Director Review are Improper

Petitioners improperly lead the Request with a new argument that seeks favored treatment based on national status of the entities before the Board, without precedent. Request, 1-3. The Request fails to address where this argument, and the alleged parade of horrors that could result from an infringement finding (*see* Request, 2), was presented below, for the simple reason that they were not. This new argument should be soundly rejected according to the Director's guidance. *See* Process, Section 3.E ("The Director will not consider new evidence or new arguments not part of the official record.").

Should this new argument be considered, it should be rejected as an attempt to gain favored status without basis. The United States patent system is strong because it allows all patent owners—small, large, foreign, domestic—to protect patented innovations, a fact underscored by the thousands of patent applications from foreign countries filed each year. Petitioners will have their day in court, on September 8, 2025, about seven months before a final written decision is expected. What Petitioners will not be able to do in district court, and should not be allowed to do before the Board, is to make inflammatory arguments that certain entities are entitled to different standards of scrutiny.

III. The Board’s Decision was not an Abuse of Discretion

The Board’s discretionary decision to deny institution based on *Fintiv* was not arbitrary and requires no review. In criticizing the Board’s *Fintiv* analysis, Petitioners’ Request attempts to relitigate individual *Fintiv* elements. Request, 3-5. But that is not the task before the Director, as a review for “abuse of discretion,” including an “arbitrary and capricious” review, looks to the decision as a whole and not to the individual elements. *See Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1367 (Fed. Cir. 2016) (“Abuse of discretion exists if **the decision** is ... clearly unreasonable, arbitrary, or fanciful”) (emphasis added); *see also Perry v. Raimondo*, 101 F.4th 55, 64-65 (D.C. Cir. 2024) (noting a reviewing court looks to the decision and stating “[t]he fact that some ... factors might weigh in ... favor [of a contrary conclusion] does not render arbitrary or capricious the Board’s conclusion”). Moreover, as the Board noted, they take a “holistic view” of the factors, such that no single factor is determinative of whether to exercise discretion to deny institution under § 314(a). DI, 15 (quoting *Fintiv*, at 6).

The Board’s detailed factual findings confirm there was nothing “unreasonable, arbitrary, or fanciful” about its outcome, where (1) the parallel district court case is set to begin the first trial “more than seven months before an expected final written decision in this proceeding” (DI, 10), (2) Petitioners failed to

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offer any basis to support a finding of uncertainties with the trial date (DI, 9-10), (3) the district court’s time-to-trial statistics confirmed the credibility of the trial date (DI, 10), (4) the investment in the parallel district court proceeding is “significant, particularly given the approaching trial date” (DI, 12), (5) “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 [its] discretion,” (DI, 12),² (6) the Board considered the impact of Petitioners’ *Sotera* stipulation, (DI 13), (7) “the parties involved in this proceeding and the district court litigation at issue are the same” (DI, 14), (8) the Board “decline[d] to find that Petitioners’ challenge is strong” (DI, 14), and (9) “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” (DI, 15).

² The Board’s finding of delay should be highlighted here, since Petitioners waited over a month after the institution decision to request Director Review.

While Petitioners assert that the “the multiple unscheduled trials, the *Sotera* stipulation, and the strong merits outweigh all other *Fintiv* factors,” Request 5³, this is asking the Director to redo the Board's proper balance of the factors without establishing any error below. Petitioners fail to establish that the Board's well-considered balance was an abuse of discretion. The Request warrants no relief and should be denied.

Dated: May 30, 2025

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³ As noted above, the Board “decline[d] to find that Petitioners’ challenge is strong” (DI, 14). The Petitioners’ incorrect reliance on “strong merits” in the Request conclusion is unfounded and unsupported by the Board’s findings below.

CERTIFICATE OF SERVICE

Petitioners have consented to e-mail service in this proceeding. Pursuant to 37 C.F.R. §42.6, the undersigned certifies that on this date, a copy of the foregoing document was served by email upon the following counsel at the below email addresses:

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