

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

v.

PEGASUS WIRELESS INNOVATION LLC,
Patent Owner.

Case IPR2025-00083
U.S. Patent No. 10,638,463

PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW

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Patent Owner timely submits this Request for Director Review of the Institution Decision (Paper 18, "DI"), issued on June 5, 2025, because the Board abused its discretion and instituted this review of U.S. Patent No. 10,638,463 (the "'463 patent") contrary to current USPTO policy.

I. LEGAL STANDARDS

Director review of a Board decision may be warranted when the decision includes "(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* USPTO Website, Director Review Process (available at www.uspto.gov/patents/ptab/decisions/director-review-process). This Request is timely because Requests for Director Review must be filed within fourteen days of the entry of a decision to institute a trial. 37 C.F.R. § 42.71(d)(1), and this Request is filed on the first business day following a Federal Holiday.

II. STATUS OF THE CO-PENDING PROCEEDING INVOLVING THE '463 PATENT

The dispute between Petitioners and Patent Owner began with district court litigations involving the '463 patent and ten other patents. As explained in Patent Owner's pre-institution briefing, Patent Owner and the Petitioners had been litigating infringement and validity of the '463 patent and those ten other patents since the initiation of the three co-pending District Court litigations, in late 2023, and have expended considerable resources doing so. *See* Pet., 72; Exs. 2018-2022

(containing a portion of Petitioners’ invalidity contentions against the ’463 patent); POPR, 11-12; Prelim. Sur-reply, 3-4; PO Supp. Br., 1-2. The district court’s scheduled trial date is set for September 8, 2025, roughly ten months before the June 5, 2026 date expected for a final written decision. POPR, 8-9; Prelim. Sur-reply, 1-2.

As commonly occurs, the district court litigation process resulted in a narrowing of the parties’ disputes. In late April 2025, during expert discovery, Patent Owner elected not to submit an expert infringement report addressing infringement of the ’463 patent. PO Supp. Br., 1-2. By agreement of the parties, the ’463 patent has since been dismissed from the co-pending litigations. *See* Paper 17, Ex. 2302. Thus, the district court litigation is proceeding towards efficient resolution.

Separate from the district court litigations, between October and December of 2024, Petitioners filed eleven IPRs, one against each of the eleven patents asserted in the district court litigations. Three of Petitioners’ other IPRs—IPR2025-00036, IPR2025-00037, IPR2025-00084¹—have now been denied by the Board under *Fintiv* due to the extensive activities that have already occurred in the co-pending litigations, the upcoming trial’s scheduled start date of September 8,

¹ Petitioners have filed Requests for Director Review in IPR2025-00036, IPR2025-00037. These other Requests are still pending as of the filing date of this paper.

2025, and the overlap in parties between those IPRs and the litigation. PO Supp. Br., 1-2.

Had Patent Owner continued to assert the '463 patent in the co-pending litigations, it is reasonable to conclude that the Board would have also denied this Petition, given the pending trial start date of September 8, 2025 and following the *Fintiv* reasoning set forth in the denials issued in IPR2025-00036, IPR2025-00037, and IPR2025-00084. However, after Patent Owner's dismissal of the '463 patent from the co-pending litigations during expert discovery, the Board instead decided to institute this IPR. This institution was contrary to USPTO policy, and Patent Owner respectfully asks the Director to reverse the institution by Order terminating this proceeding.

III. THE BOARD ERRED BY INSTITUTING ON AN UNIMPORTANT PATENT, CONTRARY TO USPTO POLICY

In rejecting Patent Owner's request to discretionarily deny this Petition under *Fintiv* and 35 U.S.C. § 314(a), the Board abused its discretion by failing to evaluate the factors for discretionary denial in a holistic manner, and instituted this IPR contrary to USPTO policy. The Board looked solely to whether there is a live parallel proceeding involving the '463 patent, without considering either the parties' previous investment in litigating the '463 patent's validity or the current lack of importance of the '463 patent to the parties' global dispute. Specifically, the Board concluded:

[A]s a result of the dismissal of the district court proceeding, the '463 patent is no longer involved in the parallel district court proceeding. Ex. 1042. Patent Owner's remaining arguments for discretionary denial under *Fintiv* based on the trial in that proceeding (Prelim. Resp.; Prelim. Sur-reply; PO Supp. Br.) are moot.

DI, 11. This is contrary to USPTO policy, however, which exercises discretionary consideration in a holistic manner and favors conserving Board resources except in the case of important patents. The Board's institution decision in this proceeding results in the Board needing to dedicate USPTO resources to conduct an IPR on a patent that has been dropped from the litigation, while the patents that continue to be enforced in the co-pending litigations have been denied institution. And while Petitioners continue to seek review of the '463 patent in case a future dispute arises, this is mere speculation because no current dispute exists. In any event, speculation does not warrant the Board dedicating its resources on the chance that some private dispute might arise in the future, especially where the resolution of the overall dispute between the parties will occur in district court.

As explained in Patent Owner's pre-institution briefing, the fact that 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 and to the public in general, not more important. PO Supp. Br., 1-2. There is no reason to expend Board resources to decide the validity of patent claims that

have been dropped from the co-pending litigation, particularly where a *Fintiv* denial is appropriate and warranted for the patents that remain in the litigation. *Id.*

Further, as a matter of policy, the Board's institution decision here would encourage patent owners to maintain claims against defendants to increase likelihood of a *Fintiv* denial, rather than encouraging them to drop claims (and patents) that are no longer in dispute and therefore conserve judicial, administrative, and party resources. Indeed, Patent Owner's decision to drop the '463 patent during expert discovery reveals just how far along the co-pending litigation is, with trial scheduled to proceed on September 8, 2025. *Id.*

The policy underlying the Board's ability to discretionarily deny a petition pursuant to *Fintiv* and 35 U.S.C. § 314(a) encourages denial of this Petition. No Board resources are needed to address the '463 patent claims that have been dropped, as the parties' global dispute is now focused on the seven patents that still remain in litigation and are on a timeline to proceed to trial less than three months from the filing of this Request, far sooner than a final written decision would issue from the Board.

Consistent with USPTO policy regarding the selectivity of which IPRs to institute and which IPRs to deny, and considering the relevant factors in a holistic manner, Patent Owner respectfully asks the Director to reverse the institution by Order terminating this proceeding.

Dated: June 20, 2025

/Wayne M. Helge/

Wayne M. Helge, Reg. No. 56,905

James T. Wilson, Reg. No. 41,439

BUNSOW DE MORY LLP

277 S. Washington St., Suite 210 #1088

Alexandria, VA 22314

T: (571) 208-0186

Email: whelge@bdiplaw.com

Email : jwilson@bdiplaw.com

Lead Counsel for Pegasus Wireless
Innovation LLC

CERTIFICATE OF SERVICE

Petitioner has 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:

ALSTON & BIRD LLP

S. Benjamin Pleune – ben.pleune@alston.com
Ross R. Barton – ross.barton@alston.com
J. Ravindra Fernando – ravi.fernando@alston.com
Bennett M. Hardyman – bennett.hardyman@alston.com
Christopher TL Douglas – christopher.douglas@alston.com
Matthew M. Turk – matthew.turk@alston.com
David S. Frist – david.frist@alston.com
Daniel J. O'Connor – dan.oconnor@alston

BUCHANAN INGERSOLL & ROONEY PC

Patrick C. Keane – patrick.keane@bipc.com
Roger H. Lee – roger.lee@bipc.com
Andrew J. Koopman – andrew.koopman@bipc.com
Tanya S. Gaylord – tanya.gaylord@bipc.com

Dated: June 20, 2025

/Wayne M. Helge/
Wayne M. Helge (Reg. No. 56,905)
BUNSOW DE MORY LLP
277 S. Washington St., Suite 210, #1088
Alexandria, VA 22314
Email: whelge@bdiplaw.com
Telephone: 571-208-0186

Lead Counsel for Pegasus Wireless
Innovation LLC