

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MediaTek Inc.,

Petitioner,

v.

Daedalus Prime LLC,

Patent Owner.

Case: IPR2025-00100

U.S. Patent No. 9,887,838

Issue Date: February 6, 2018

Title: Method and Device for Secure Communications Over a Network
Using a Hardware Security Engine

**PETITIONER REPLY TO PATENT OWNER
PRELIMINARY RESPONSE¹**

¹ The Board authorized this ten-page Reply to address Patent Owner's arguments under 35 U.S.C. § 314(a) in an email dated March 20, 2025. *See* EX-1026.

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I. Introduction

The Board should decline to exercise its discretion under 35 U.S.C. § 314(a) because the *Fintiv* factors favor institution. Factors 1, 2, and 5 are neutral, while Factors 3, 4, and 6 strongly favor institution. Petitioner stipulates that it will not pursue the grounds raised in the Petition or any other ground that Petitioner could have reasonably raised in this proceeding in the parties' district court litigation. *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 18-19 (P.T.A.B. Dec. 1, 2020) (precedential). This eliminates any risk of duplication and potentially conflicting decisions. *Id.* Petitioner's *Sotera* stipulation substantially resolves the *Fintiv* analysis and, on balance with all other factors, weighs strongly in favor of institution.

II. The Likelihood of a Stay Under *Fintiv* Factor 1 is Neutral

Factor 1 is neutral because the district court has not granted a stay and neither party has requested one.

Under these circumstances, the Board generally “decline[s] to infer . . . how the District Court would rule should a stay be requested by the parties in the parallel case.” *See, e.g., Hulu, LLC v. SITO Mobile, Ltd.*, IPR2021-00298, Paper 11 at 10- 11 (P.T.A.B. May 19, 2021) (quoting *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12 (P.T.A.B. May 13, 2020) (informative)). Patent Owner's assertion that a stay is “unlikely” to be granted is speculative at best. *See* Paper 6 (“POPR”) at 3-4.

Factor 1 is therefore neutral.

III. The Proximity to the Court’s Trial Date Under *Fintiv* Factor 2 is Neutral

Factor 2 is at worst neutral because the district court trial is likely to be near the statutory deadline for the Board’s final written decision.

The Board’s institution decision is expected by June 10, 2025 (e.g., three months from Patent Owner’s Preliminary Response) and a final written decision will accordingly be due by June 10, 2026.

While the district court’s docket control order indicates jury selection will commence on January 26, 2026, this date is not determinative because the Eastern District of Texas often schedules multiple trials on the same date and the trial schedule is subject to change. *See Dish Network v. Broadband iTV*, IPR2020-01280, Paper 17 at 16 (P.T.A.B. Feb. 4, 2021) (“We cannot ignore the fact that the currently scheduled trial date is more than nine months away and much can change during this time.”).

Time-to-trial statistics instead suggest trial will begin 23 to 25 months from the complaint, which places trial between March and May 2026. EX-1027; EX-1028. This may be a matter of weeks from the Board’s final written decision. As the Board stated in *Fintiv*, with a trial date “at or around the same time as the projected statutory deadline,” the Board’s decision whether to institute “will likely implicate *other* factors . . . , such as the resources that have been invested in the parallel proceeding.”

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 9 (P.T.A.B. Mar. 20, 2020) (precedential) (emphasis added). Factor 2 is therefore neutral. *See Sotera*, Paper 12 at 15 (finding this factor “does not weigh for or against denying institution” where trial is “scheduled to begin around the same time as our deadline to reach a final decision.”).

Even if the Board finds this factor slightly in favor of exercising its discretion, the Board has consistently found this factor nondeterminative. *Fintiv* instead requires a “holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Fintiv*, Paper 11 at 6. In *Netnut Ltd., v. Bright Data Ltd.*, trial was scheduled six months before the expected final written decision yet the Board instituted review, noting the “strong showing on the merits in the Petition and relatively minor investment in the merits of the validity challenge in district court.” IPR2021-01492, Paper 12 at 9-16 (P.T.A.B. Mar. 21, 2022). The Board similarly instituted review in *Coolit Sys., Inc. v. Asetek Danmark A/S*, IPR2021-01195, Paper 10 at 9-14 (P.T.A.B. Dec. 28, 2021) and *Micron Tech., Inc., v. Vervain, LLC*, IPR2021-01550, Paper 11 at 9-13 (P.T.A.B. April 11, 2022), where trial was five months and three months before final written decisions, respectively. Petitioners in those cases also did not submit a *Sotera*-style stipulation as Petitioner has served here. *See infra* Section V; *Netnut*, Paper 12 at 9-16 (no stipulation); *Coolit*, Paper 10 at 9-14 (*Sand Revolution* stipulation); *Micron*, Paper 11 at 9-13

(same). Thus, the proximity of trial and risk of duplicative efforts was greater in these cases yet the Board instituted review.

IV. The Lack of Investment in District Court Under *Fintiv* Factor 3 Strongly Favors Institution

Factor 3 strongly favors institution because the parties will have expended few resources by the expected institution date of June 10, 2025. The parties' *Markman* hearing is not scheduled until July 31, 2025, fact discovery does not close until August 28, 2025, and the deadlines for expert discovery and dispositive motions fall well after institution (October 2025). EX-1014, 3-4. Therefore, the district court will not have "issued substantive orders related to the patent" by the institution deadline and Patent Owner does not assert otherwise. *See Fintiv*, Paper 11 at 9-10 ("If, at the time of the institution decision, the district court has not issued orders related to the patent at issue in the petition, this fact weighs against exercising discretion to deny institution").

Patent Owner focuses instead on "claim construction discovery" and the notion that "the parties *may well have* filed their opening claim construction briefs and technology tutorials." POPR at 5-6 (emphasis added). But Patent Owner's opening claim construction brief is not due until *after* institution (on June 18, 2025), and there is no indication there will be any claim construction discovery in the case. Patent Owner fails to otherwise identify a substantive order that will be issued prior

to institution (because it cannot). The parties and the district court will therefore have made no significant investments in parallel litigation, which favors institution.

The timing of the Petition also avoids unfair costs to Patent Owner. Petitioner did not wait until litigation between the parties “progressed significantly” before filing the Petition. *See Fintiv*, Paper 11 at 11. Instead, Petitioner diligently filed the Petition just two months after receiving Patent Owner’s infringement contentions on September 4, 2024, and before serving invalidity contentions on November 20, 2024, EX-1016, 29-36; EX-1014, 4. As explained in *Fintiv*, “it is often reasonable for a petitioner to wait to file its petition until it learns which claims are being asserted against it in the parallel proceeding.” Paper 11 at 11.

Factor 3 therefore weighs strongly in favor of institution.

V. The Lack of Overlap Under *Fintiv* Factor 4 Strongly Favors Institution

Petitioner has substantially eliminated the risk of overlap between this proceeding and the parties’ district court litigation by stipulating that Petitioner will not pursue the grounds raised in the Petition or any other ground that Petitioner could have reasonably raised in this proceeding in the parties’ district court litigation. *Sotera*, Paper 12 at 18-19. The Board and district court will therefore avoid inefficiently addressing the same grounds or prior art raised in the Petition or prior art that could have been raised, thereby eliminating the possibility of conflicting decisions. *See id.*; *see also Fintiv*, Paper 11 at 12-13.

Factor 4 also strongly favors institution because Patent Owner asserts only a subset of claims of the '838 patent in district court and Petitioner challenges all claims. *Compare* EX-1016 at 29 (asserting claims 1, 3-6, 9-15, and 17-24), *with* Pet. 1 (challenging claims 1-24). The number of asserted claims will further reduce before trial according to the case docket control order. *See* EX-1014, 1 (requiring “final election of Asserted Claims” before jury selection). Therefore, in addition to avoiding duplicative challenges based on the same prior art, the claims at issue in this proceeding will not be coextensive with those challenged in district court. While Patent Owner asserts that the non-elected claims 2, 7, 8, and 16 “bear similarity” to elected claims 10 and 15, POPR at 6, Patent Owner provides no analysis to substantiate this, nor does this argument alter the fact these claims are no longer asserted and yet more claims will be dropped as the litigation progresses.

Resolving patentability questions in this proceeding (for all claims) will mitigate duplicative efforts here and in future cases. Indeed, Patent Owner has shown that it is willing to assert the '838 patent not just against Petitioner, but against companies in other industries, including Samsung. *See* Pet. 100. Patent Owner is also engaged numerous additional litigations asserting different patents against car manufacturers Mazda and Mercedes-Benz and numerous suppliers.

Therefore, because Patent Owner will likely continue asserting the '838 patent beyond its suit against Petitioner, and because there is a significant public interest in

“weed[ing] out bad patent claims efficiently,” *see Thryv, Inc v. Click-To-Call Techs., LP*, 590 U.S. 45, 55 (2020), the Board should address the merits of the Petition and decline to exercise its discretion under § 314(a).

VI. The Parties are the Same Under *Fintiv* Factor 5

Petitioner is the defendant in the parties’ related litigation, but the Board should accord this factor little weight. *See Weatherford U.S., L.P. v. Enventure Global Tech., Inc.*, IPR2020-01684, Paper 16 at 11-13 (P.T.A.B. Apr. 14, 2021) (finding, where the petitioner is the defendant in litigation, this factor at most “does not weigh against exercising discretion to deny institution.”). Indeed, *Fintiv* did not state this factor favors denial when the petitioner and is the defendant in parallel proceeding. *Fintiv* instead stated that “if a petitioner is unrelated” to parallel proceedings, the Board may weigh that “fact *against* exercising discretion.” *Fintiv*, Paper 11 at 13-14 (emphasis added). This factor is therefore neutral.

VII. The Merits of the Petitioner Under *Fintiv* Factor 6 Favors Institution

The compelling merits of the Petition outweigh any concerns that might arise under Factors 1-5.

Patent Owner does not dispute that Petitioner sets forth compelling evidence of unpatentability in the Petition. *See* POPR at 8-9. Patent Owner identifies no missing elements in Petitioner’s grounds, nor does it contest any of Petitioner’s rationales for combining the art. *Id.* That is because the merits of the Petition are

strong. Factor 6 therefore weighs heavily in favor of institution. *See Fintiv*, Paper 11 at 15-16.

The art in the Petition is materially different and noncumulative of art the Office previously considered. So are the proposed combinations. Patent Owner does not dispute that Bugiel (EX-1002), Chou (EX-1003), Tkacik (EX-1005), and TLS-1.2 (EX-1004) were not before the Examiner and not cited in any office action during prosecution. *See* POPR at 8-9. Nor does Patent Owner assert the same or substantially the same arguments were previously presented to the office. *See id.* Instead, Patent Owner provides one-sentence, summary descriptions of the art to allege cumulativeness. *See id.*

Patent Owner asserts that Goss provides a “similar architecture” to Bugiel and Kumar discloses system-on-a-chip hardware similar to Chou. *See id.* Notably absent from Goss and Kumar is any disclosed use of the TLS handshake in connection with a secure execution environment, as disclosed in Bugiel. *Compare* EX-2005 ¶¶ 7-9, 18, 23-26, EX-2007, 1:41-46, 3:2-7, *with* EX-1002, 223-227. The applicant during prosecution also distinguished Kumar from the claims based on features present in the asserted art. Among other things, the applicant argued that Kumar fails to disclose a “system-on-a-chip comprising a security engine” that has “a secure memory accessible only by the security engine,” EX-1012, 136-137, and that it fails to disclose a “security engine that is separate from a processor core of the system-

on-a-chip,” *id.* at 77-79. Chou discloses these features, as explained in the Petition. Pet. 13-23. So does Tkacik. *Id.*, 70-76. Art that was successfully distinguished from the claims is not cumulative of asserted art that includes these features.

With respect to Wikipedia and Chou ’646 (EX-2009), it is of no surprise that Patent Owner can identify prior art that also discloses TLS-1.2. *See* POPR at 9. Petitioner explained the use of TLS-1.2 with the disclosed hardware of the ’838 patent was nothing new. *See* Pet. 8-13. TLS-1.2 predates the ’838 patent and was known, used, and widely adopted. *See id.* Its pre-existence and widespread use is not a shield to patentability challenges; it is a sign of its ubiquity in the art.

To the extent there is any overlap in art or arguments, this is a product of the challenged claims themselves: “some overlap . . . will likely always occur because the same claims are being analyzed.” *CallMiner, Inc. v. NICE Ltd.*, IPR2020-00221, Paper 11 at 32 (P.T.A.B. Jun. 17, 2020) (“Viewing the prior art through the lens of the claims would usually produce similarities in arguments, even in the case of a broad claim reading on multiple types of prior art, with similar arguments being made that aspects of the prior art teach or suggest the same claim elements.”).

Because none of Petitioner’s asserted art, combinations, or arguments were previously considered by the Office, and because the art is not cumulative, Factor 6 weighs heavily in favor of institution.

VIII. Conclusion

The Board should decline to exercise its discretion under 35 U.S.C. § 314(a) and grant institution of review of all challenged claims.

Dated: March 27, 2025

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CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing **Petitioner's Reply to Patent Owner's Preliminary Response** was served electronically via email on March 27, 2025, in its entirety on the following:

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Dated: March 27, 2025

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