

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MEDIATEK INC,

Petitioner,

v.

DAEDALUS PRIME LLC,

Patent Owner.

Case No.: IPR2025-00100

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

PATENT OWNER'S PRELIMINARY RESPONSE SUR-REPLY

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I. THE BOARD SHOULD DISREGARD MEDIATEK'S LATE-FILED SOTERA STIPULATION

Only after being confronted with Daedalus Prime's request for discretionary denial does MediaTek offer a *Sotera*-style stipulation. Reply at 1. But the Board should disregard this late-filed stipulation as it should have been part of the original petition. Allowing MediaTek to benefit by its after-the-fact promise, with an advanced, related litigation underway and after PO's request for discretionary denial, is like allowing MediaTek to place a bet *after* the horses have left the gate are already in the home stretch. Daedalus Prime invested its limited resources in this IPR and the related litigation and chose which arguments to make *based on the petition*. See *Intelligent Bio-Systems v. Illumina Cambridge*, 821 F.3d 1339, 1369 (Fed. Cir. 2016) (petitioner's entire case must be made in the petition). It would be unfair and improper to allow MediaTek to revise its case as set forth in the petition, let alone for the Board to wittingly participate in such a revision. Cf. *In re Magnum Oil Tools*, 829 F.3d 1364, 1380-81 (Fed. Cir. 2016) (Board cannot make arguments on behalf of petitioner not in petition); *Perfect Surgical Techniques v. Olympus Am.*, 841 F.3d 1004, 1006 (Fed. Cir. 2016) (Board cannot "mandate compliance [with its rules] by only some parties").

If MediaTek is permitted to gain the benefit of a stipulation made only when facing a request for discretionary denial, other petitioners will be quick to emulate the process and patent owners will be left with no recourse. The Director's

Memorandum concerning “Interim Processes for PTAB Workload Management”

does not provide a patent owner any automatic rebuttal in such a circumstance.

USPTO, Resources and guidance: Interim Processes for PTAB Workload Management, [www.USPTO.gov](https://www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf) (Mar. 26, 2025), <https://www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf>.

Hence, the integrity of future AIA trials will be undermined if actions such as MediaTek’s are permitted. Before the petition was filed, *Sand Revolution* made clear what a meaningful stipulation should contain. *Sand Revolution II, LLC v. Cont’l Intermodal Grp. – Trucking LLC*, IPR2019-01393, Paper 24 at 12 n. 5 (PTAB Jun. 16, 2020). MediaTek knew when it filed the petition how to craft such a stipulation and that was required for factor 4 to favor its case for institution of trial. The Board should not be swayed by this last minute stipulation and should disregard same in furtherance of its exercise of discretion to deny institution.

II. FACTOR 3 STRONGLY FAVORS DENIAL OF INSTITUTION

Contrary to MediaTek’s assertions, the parties have and will expend significant resources prior to any institution decision. MediaTek acknowledges that the *Markman* hearing in the District Court will take place just a few weeks after an expected institution decision date. Reply at 4. Prior to the institution decision, the parties will have undertaken and completed claim construction discovery. Ex. 1014 at 4. This will entail not only efforts on the part of respective counsel, but also the

parties' associated expert witnesses. For MediaTek to characterize such efforts as an expenditure of "few resources," *id.*, is insincere at best.

Further, the parties have already engaged in considerable efforts including the compiling and serving of extensive infringement and invalidity contentions. Ex.1014 at 4-5; *and see, e.g.*, Exs. 2002, 2003. The Director has recognized that such activities represent substantial investments in parallel proceedings and favor denial of institution. *Motorola Solutions, Inc. v. Stellar, LLC.*, IPR2024-01205, Director Review Decision, Paper 19, slip op. at 3 (Dir. USPTO Mar. 28, 2025).

III. FACTOR 4 FAVORS DENIAL OF INSTITUTION

As noted above, MediaTek's late filing of a stipulation should not be countenanced. Further, the fact that the petition addresses more claims than are at issue in the District Court litigation only demonstrates that this proceeding would not be a good use of the Board's resources. MediaTek does not dispute that its District Court invalidity contentions already address substantially all the invalidity grounds raised in this proceeding. Indeed, MediaTek points to nothing in any of the claims not asserted in the litigation (2, 7, 8, and 16) that is not encompassed by those challenges. The District Court's rules and procedures have succeeded in focusing the issues between the parties. Undertaking a separate proceeding such as this IPR to address claim limitations that are already subsumed in that dispute would not provide any of the mitigating effects MediaTek alleges.

For example, in adjudicating the validity of claim 10 against the teachings of Tkacik, *see* Ex. 2003 at 186 et seq., and/or Bugiel, *see* Ex. 2004 at 205 et seq., the District Court will address similar substantive issue as would be present with respect to claim 2. The same can be said of the District Court’s review of claim 15 vs. claims 7, 8, and 16. MediaTek’s speculation that Daedalus Prime would continue asserting the instant patent in the face of invalidity decisions by the District Court is nothing but hyperbole and should not be a reason for the Board to institute trial here.

IV. THE LACK OF MERIT IN MEDIATEK’S PETITION FAVORS DENIAL OF INSTITUTION

MediaTek argues that the alleged “compelling merits” of its petition should be dispositive. Reply at 7. Of course, discretionary denial under *Fintiv* focuses on considerations of efficiency and resource allocation, but in any event, there are no such “compelling merits.”

MediaTek argues that because Goss and Kumar do not discuss the use of a TLS handshake in connection with a secure execution environment, somehow this consideration was not before the Examiner. Reply at 8. But this ignores the fact that the background of the ’838 patent itself acknowledges that the SLS and TLS protocols were commonly used cryptographic protocols at the time of the invention. Ex. 1001 at 1:7-17. And, Chou, U.S. Pat. 7,966,646, which was considered in combination with Goss, was cited for disclosing the use of an

SLS/TLS authentication procedure. Ex. 2006 at 5-6. Thus, the Examiner was well aware of the use of a TLS handshake when the '838 patent was being prosecuted and specifically considered such a protocol in combination with Goss' description of a system on a chip that includes a secure execution environment.

Similarly, MediaTek's argument that a disclosure of a system-on-a-chip which includes a security engine that has a secure memory accessible only by the security engine was somehow not present during prosecution is also wrong. That very feature was alleged to be within the combination of Chou, Ali, and Kumar when the Examiner issued a Final Office Action. Ex. 1012 at 95-96. In making the rejection, the Examiner was expressly discounting the applicant's arguments to the contrary. *Id.* at 136-137. Accordingly, MediaTek's arguments were previously considered by the Office, and Factor 6 favors denial of institution.

V. CONCLUSION

The Board should exercise its discretion and deny institution of trial.

Respectfully submitted,

Dated: April 3, 2025

/Tarek N. Fahmi/

Tarek N. Fahmi, Reg. No. 41,402

Ascenda Law Group, PC
2150 N First St., Suite 420
San Jose, CA 95131
Tel: 866-877-4883
Email: tarek.fahmi@ascendalaw.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing

PATENT OWNER'S PRELIMINARY RESPONSE SUR-REPLY

was served on April 3, 2025, by filing this document through the PTAB P-TACTS System as well as by delivering a copy via email directed to the attorneys of record for the Petitioner at the following addresses:

Cory C. Bell
J. Preston Long
Alexander M. Boyer

Finnegan, Henderson, Farabow,
Garrett & Dunner, LLP
Two Seaport Lane, 6th Floor
Boston, MA 02210-2001

Email:
cory.bell@finnegan.com
jp.long@finnegan.com
alexander.boyer@finnegan.com

The parties have agreed to electronic service in this proceeding.

Respectfully submitted,

Dated: April 3, 2025

/Tarek N. Fahmi/

Ascenda Law Group, PC
2150 N First St., Suite 420
San Jose, CA 95131
Tel: 866-877-4883
Email: patents@ascendalaw.com

Tarek N. Fahmi
Reg. No. 41,402