

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., LTD. AND SAMSUNG
ELECTRONICS AMERICA, INC.

Petitioner

v.

KP INNOVATIONS 2, LLC,

Patent Owner

Case No. IPR2025-00101

Patent 10,499,168

PETITIONER'S REQUEST FOR DIRECTOR REVIEW

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Petitioner requests Director Review of the panel’s majority decision denying institution of *inter partes* review (“ID”) of claims 18-21 of U.S. Patent No. 10,499,168 (the “’168 Patent”). 37 C.F.R. §42.75. Although Petitioner disagrees with the Board’s analysis as to all grounds and agrees with the conclusion in APJ Murray’s dissent that the panel should have instituted, Petitioner in particular requests Director Review of the ID as to Grounds 1-2. Pet., §VI.A. The majority’s analysis for Grounds 1-2 errs as a matter of law because it relies on incorrect claim constructions submitted by Patent Owner (PO) in its Preliminary Response (POPR). Worse still, the Board refused Petitioner’s request for a preliminary reply, denying Petitioner any opportunity to respond to PO’s erroneous constructions. Ex. 3001; Paper 8. The Board’s refusal to give Petitioner an opportunity to respond to PO’s constructions before adopting them violated Petitioner’s due process rights, including depriving Petitioner of the substantial, non-refundable *inter partes* review request fee. *See Axonics, Inc. v. Medtronic, Inc.*, 75 F.4th 1374, 1382 (Fed. Cir. 2023), *dismissed*, 2025 WL 471226 (Fed. Cir. Feb. 12, 2025).

Had Petitioner been given a chance to respond as expressly requested, it would have shown that PO’s arguments rely on an overly narrow construction of the claimed “device”—requiring the “device” be contained in a single housing with “network ready” ports—that departs from plain meaning, contradicts clear claim language, and excludes numerous preferred embodiments. The Board’s adoption of

PO's construction yields a nonsensical result—finding that (1) *Okaya's* four-sided display/camera device (called a “media carousel”) connected to a networked PC is somehow not a “device;” and (2) *Okaya's* media carousel, when connected to a networked videoconferencing PC, is not configured to communicate over the network. The Director should grant review and direct the Board to reconsider the Petition under the correct claim construction.

I. LEGAL STANDARD

Director Review of the ID is appropriate and necessary here to address (1) the Board's abuse of discretion in failing to permit a preliminary reply, (2) the Board's erroneous conclusions of law, and (3) its erroneous findings of fact. *See* 37 C.F.R. §42.75; USPTO, Director Review Process at 2.B (May 23, 2025 update). Director Review of an ID denying institution is appropriate to address “an erroneously narrow construction.” *Samsung Electrs. Co. et al. v. Slyde Analytics, LLC*, IPR2024-00040, Paper 14 (PTAB Aug. 2, 2024).

II. FACTUAL BACKGROUND

Challenged claim 18 recites a “communication service *device*” which itself comprises “at least one user communication *device* configured to receive and transmit information over the communication network.” EX1001, Cl. 18. The “at least one user communication device compris[es] a housing having a first side and a second side” that contain “input device[s]” (e.g., cameras) and a “display device.”

Id. Thus, by claim 18's explicit language, the "device" is composed of multiple other devices. Additionally, the claim does not specify *how* the device must communicate over the communication network, only that it must be *configured* to do so.

Grounds 1-2 of the Petition showed how *Okaya* invalidates Claims 18-21 under that claim language. Pet., §VI.A. *Okaya* discloses a media carousel with cameras and display devices on all four sides. Pet., §VI.A. The carousel is intended to be connected to a computer (e.g., a notebook PC) or videoconferencing system for networked videoconferencing, which *Okaya* describes as "integrating" the carousel with a PC or videoconferencing system. *Id.*; EX1006, 3:1-4. ("[M]ultimedia carousel 10 includes several input and output terminals for integrating with a multimedia computer"). Petitioner argued that the carousel—alone or with a PC or videoconferencing system—is "at least one user communication device configured to receive and transmit information over [a] communication network."

The POPR implied a narrow construction of the claimed "device," insisting the claim requires a "single integrated device," contained in a single housing, that is itself "network-enabled." POPR, 26. PO used these interpretations to argue (1) that the combination of the carousel and PC is not a "device," and (2) that the carousel cannot, by itself, connect to the network. POPR, 29, 31 (arguing *Okaya*'s carousel is "not a standalone device with network capability, as required in claim 18").

Petitioner requested a preliminary reply to address PO's unexpected

construction of “device,” which is contradicted by the claims and specification. Ex. 3001. The Board denied Petitioner's request, stating “it has sufficient information to weigh both parties' arguments without further briefing.” Paper 8, 2. The Board then denied institution—over APJ's Murray's dissent—adopting and relying on PO's flawed construction to find *Okaya* did not disclose the claimed “device.” ID, 13-15.

III. ARGUMENT

The Director should grant review because the Board not only adopted PO's erroneous claim constructions, it did so without giving Petitioner an opportunity to respond to those constructions, thereby denying Petitioner procedural due process.

A. The Board erred in adopting both of PO's implied requirements for the claimed “device.”

The Board found that *Okaya*'s carousel connected to a PC is not a “device” because the combination of those components is not an “integrated” device within a single housing, and that the carousel alone did not meet the requirements of the claimed “device” because it does not have internal network components. ID, 12-15; POPR, 26. These requirements are not found in the challenged claims and importing them erroneously violated fundamental canons of claim construction.

- 1. The Board erred in construing the claimed “at least one . . . device” to require an “integrated” device in a single housing.*

There is no support for limiting the claimed “device” to a single integrated device with all components located within the housing. As an initial matter, this is

inconsistent with the plain meaning of the term “device,” which refers to any contrivance or invention serving a particular purpose. Am. Heritage College Dictionary (2000) at 380; Modern Dictionary of Electronics (1997) at 251-52.

Claim 18 itself nowhere limits its scope to a single “device” contained in a single housing. To the contrary, Claim 18 expressly contemplates that a “device” may be comprised of other devices. Claim 18 recites a “communication service *device . . . comprising: at least one* user communication *device* configured to receive and transmit information over the communication network.” The “at least one user communication device” comprises a “housing” on which multiple other devices reside. Moreover, limitation 18[a] recites “*at least one . . . device*,” which as a matter of law means “one *or more* devices.” *SuperGuide Corp. v. DirecTV Enters., Inc.*, 358 F.3d 870, 886 (Fed. Cir. 2004).

Other aspects of Claim 18 also confirm the Board's construction was erroneous. Claim 18 recites “at least one user communication device comprising a housing.” As it recites “comprising,” Claim 18 is open-ended and does not exclude additional elements (such as other housings or external network components). *Mars Inc. v. H.J. Heinz Co.*, 377 F.3d 1369, 1376 (Fed. Cir. 2004); *Baldwin Graphic Sys., Inc. v. Siebert, Inc.*, 512 F.3d 1338, 1342 (Fed. Cir. 2008). Accordingly, Claim 18 itself plainly states that a “device” can comprise multiple component devices, such as a media carousel connected to a PC, not contained in a single housing. The broad

scope of the term “device” becomes apparent when Claim 18 is construed as a whole. *See Phillips v. AWH Corp.*, 415 F.3d 1303, 1313-14 (Fed. Cir. 2005) (warning against construing terms “in a vacuum” because “context” is “highly instructive”).

The specification also reveals that, contrary to the Board's conclusion, a claimed “device” is not limited to a device integrated in a single housing. Preferred embodiments of the invention include combinations of devices—*expressly including laptops working in connection with flat screen monitors*. EX1001, 9:28-41 (describing that a “laptop” may “receive and transmit information over the communication network” in conjunction with devices such as a “flat screen monitor and speaker”). Again, nothing in the specification suggests that the combination of laptop and monitor does not qualify as a “device.” Indeed, Figures 1-2 confirm that the term “device” is intended to encompass complex devices comprised of multiple components (each of which may itself be a device), exactly as disclosed in *Okaya*. “FIG. 1 illustrates a portion of a first embodiment of a virtual Internet drive method *and device*, in accordance with the principles of an embodiment of the present invention.” *Id.*, 4:56-58. The '168 Patent expressly recognizes that one such device used to implement the invention shown in Figure 1 is a “computer that has access to a network” including a non-handheld PC. *Id.*, 5:18-22 (“The present invention may be implemented on **any computer** that has access to a network....”). Figure 2 also illustrates a preferred embodiment based on a conventional desktop computer, to

include discrete components such as monitor, CPU, and keyboard. EX1001, 4:59-60. Thus, Figure 2 illustrates a “device”—here, a computer—that contains multiple housings (which is entirely consistent with the Petition’s read in Grounds 1-2).

The Board’s analysis draws an unwarranted distinction between “devices” and “computers” and thereby excludes the preferred embodiments of Figures 1-2. ID 14, n.6. “A claim interpretation that excludes a preferred embodiment from the scope of the claim is rarely, if ever, correct.” *Accent Packaging, Inc. v. Leggett & Platt, Inc.*, 707 F.3d 1318, 1326 (Fed. Cir. 2013). The Board’s attempt to justify this distinction based on claim differentiation fails—there is no support in the specification or claim language for finding that a computer and a device are mutually exclusive concepts. *See Curtiss-Wright Flow Control Corp. v. Velan, Inc.*, 438 F.3d 1374, 1380-81 (Fed. Cir. 2006) (warning against applying claim differentiation to independent claims of substantially different scope to define specific terms).

The Board would limit Claims 18-21 to the embodiments disclosed at 19:17-45 (which it labels the “device embodiments”). ID, 14 n.6. But the specification describes these embodiments as a “single housing *system*,” undermining the ID’s assumption that these figures are somehow limited to a single device. *Id.* The embodiments of Figures 3-6 do not justify limiting the claims to a device contained in a single housing. *See Phillips v. AWH Corp.*, 415 F.3d 1303, 1323 (Fed. Cir. 2005) (“[W]e have repeatedly warned against confining the claims to [specific]

embodiments.”). While Figures 3-5 describe that two user computers may be contained in a single housing system, the Board overlooks that Figure 6 teaches using multiple “device[s]” to communicate. EX1001, Fig. 6, 19:37-38 (“[E]ach user could utilize a separate hand held device.”). The Board’s analysis would exclude Figure 6. With respect to Figures 3-5 (the “single housing system” embodiments), nothing in the description of these figures precludes using external components such as monitors or network components in conjunction with a single housing system, consistent with the earlier embodiments of Figures 1 and 2.

And contrary to the Board’s findings, the ’168 specification itself cautions that its disclosed embodiments do not limit the claimed invention. EX1001, 18:62-19:3, 19:39-41 (“[T]his description is not intended to limit the invention. Rather, the invention is intended to encompass all permutations on the invention.”). The Board offers no valid reason to restrict Claims 18-21 to the embodiment of Figures 3-5 when the specification itself teaches against this restriction.

Director Review is merited in view of Claim 18’s unmistakable language, the specification’s broad descriptions of “device[s]” not limited to a single housing, and Federal Circuit decisions counseling against the errors committed here.

2. The Board erred in construing “at least one . . . device configured to receive and transmit information over the communication network” to require a “standalone” device that is “network-ready.”

The Board also erred in construing Claim 18 to require a “device” that is

“network-ready” standing alone, relying on the purported requirement of a “single housing” to also find that device must have network components inside the housing. ID, 14. The Board denied institution after finding the “audio or video inputs/outputs” of *Okaya*’s carousel are not “network-ready ports.” ID, 14. But Claim 18 does not require the claimed “device” to be “network-ready,” have network components in the housing, or have “network-ready ports” in the device itself.

Claim 18 merely recites “at least one user communication device [that is] *configured* to receive and transmit information over the communication network.” The claim does not dictate any particular network components for such configuration, let alone require such components to reside in a single housing. These limitations were lifted from whole cloth based on PO’s faulty POPR arguments. POPR, 28-31. Indeed, the structure of Claim 18 makes evident that configuration of “at least one user communication device” to receive and transmit over the communication network is not dependent on the housing limitations; it is recited *separately* from the claimed “housing.” Claim 18 leaves open *how* any devices are configured to communicate, and it is silent as to what network components are used or where those components are located. In short, nothing in Claim 18 precludes one or more devices from being configured to communicate over a network using an additional component such as a PC.

Nothing in the ’168 specification describes any specific network components

or places them in any particular location in a claimed device. Indeed, contrary to the Board's conclusion, the specification describes embodiments relying on networking capability of conventional devices, such as phones, laptops, and computers, to implement the claimed networked communication. EX1001, at Figure 2, 9:28-41. The specification describes communications functionally, without respect to specific network components or structures. For example, audio-visual (A/V) devices—such as displays, cameras, microphones, and speakers—“receive” and “transmit” information without any particular “network-ready” ports. EX1001, 9:28-41. Similarly, for Figure 3, “the audio receiver and transmitter 30 is a microphone and the visual receiver 34 and transmitter is a camera and a screen.” *Id.*, 19:27-29. None of these A/V devices are described as “integrated” in a single housing or using any “network-ready” format. The '168 Patent teaches various devices that “receive and transmit” A/V information, but no particular structure or format for doing so.

The '168 specification also teaches that “receiv[ing] and transmit[ing] information” is not limited to any particular means of reception or transmission. Embodiments provide communication services through a “computer” “accessible” via other “individual computers capable of communicating with a network, or any other means of accessing the network . . .” EX1001, 5:57-60. Similarly, “[i]n reference to a preferred embodiment in Fig. 2,” communication is provided using “a PDA, laptop, Internet-capable cellular phone, or similar handheld device, capable of

receiving, displaying, and broadcasting” information. *Id.*, 9:28-41. The '168 Patent describes receiving and transmitting as any communication between devices and does not require any particular encoding, modulation, protocol, or data format.

And communication may be achieved over most any form of “communication network.” The specification explains that “[a] network access itself may be achieved by radio frequency link, telephone modem, cable modem, high-speed DSL, wireless connection or any other network communication technique conventionally available.” *Id.*, 5:25-29. “In Fig. 1, the network 10 may be accomplished by any technique known in the art . . .” *Id.*, 15:17-26. The networks used for communication services also include “local networks.” *Id.*, 9:11-17. Claim 18’s “network” also includes most any technique for communicating between two or more devices.

Nothing in the '168 claims or specification requires a “device” that is “network ready” standing alone. The ID clearly erred in adopting PO’s belated attempt to rewrite Claim 18 to preserve validity.

B. Had the Board applied a correct construction of “device,” it would have found institution merited on all challenged claims.

To deny institution, the ID adopted not one, but two unsupported constructions for Claim 18’s “device.” If the Director finds either in error, the Director should remand for proceedings under the following correct constructions.

First, under a plain meaning of the claimed “device,” a “device” may be

composed of multiple other devices—and not limited to a single housing—consistent with the computer embodiment of Figure 2, showing a CPU, monitor, and keyboard as component devices of the computer. Petitioner's Grounds 1-2 present *Okaya's* carousel, alone or integrated with (i.e., used with) a notebook PC or videoconferencing system, as the claimed “device.” Contrary to the Board's finding, Petitioner relied on *Okaya's* own description of using the carousel with a PC, not some modification of the carousel. EX1006, 3:1-4 (“[M]ultimedia carousel 10 includes several input and output terminals for integrating with a multimedia computer or video conferencing system.”). *Okaya* describes using the carousel's input/output terminals to connect to a computer as “integrating” it with a computer. In this way, *Okaya's* carousel plus PC embodiment is remarkably similar to the '168 Patent's Figure 2. Neither the Board nor PO explain why *Okaya's* carousel, either alone or used with a computer, is not “at least one . . . device,” as in Claim 18. When “at least one . . . device” is properly construed, institution is merited.

Second, even if the carousel is considered by itself, under a proper interpretation it need merely be “configured to transmit and receive” information over a communication network. As the Petition showed, the carousel undisputedly is configured for networked communication when connected to a PC or videoconference system. Petition, 13-18. The Petition explains how *Okaya's* carousel is intended and designed to be operated in conjunction with a computer or

videoconferencing system, thereby being configured to communicate over a network in a videoconference. *Id.* And even under PO's construction of "configured to," *Okaya's* carousel is specifically designed to transmit and receive A/V information in a videoconference. EX1006, 2:6-7, 3:1-42, 3:56-4:14. Neither the Board nor PO offer sufficient reason that *Okaya's* carousel, either alone or with a computer or videoconferencing system, is not "configured to" communicate over a network. When "at least one . . . device configured to receive and transmit information over the communication network" is properly construed, institution is merited.

C. The Board abused its discretion in denying Petitioner the opportunity to be heard.

The Fifth Amendment to the U.S. Constitution requires due process and the Administrative Procedure Act (APA) requires the Board to give the parties notice and opportunity to respond to contested issues. 5 U.S.C. §554(b)-(d); *SAS Inst., Inc. v. ComplementSoft, LLC*, 825 F.3d 1341, 1351 (Fed. Cir. 2016) (*rev'd on other grounds*). "The fundamental requisite of due process of law is the opportunity to be heard." *Grannis v. Ordean*, 234 U.S. 385, 394 (1914). "[U]nder the APA, the Board cannot adopt a new claim construction without giving the petitioner an opportunity to respond." *Axonics, Inc. v. Medtronic, Inc.*, 75 F.4th 1374, 1382 (Fed. Cir. 2023). Although *Axonics* required an opportunity to respond to a construction adopted after institution, the same due process concerns apply before institution. *See SAS Inst.*,

Inc., 825 F.3d at 1351 (explaining that “IPR proceedings” are “subject to the procedural requirements of the Administrative Procedure Act.”). By accepting Petitioner's substantial, non-refundable *inter partes* review request fee, but denying Petitioner an opportunity to be heard as to PO's claim constructions, and then adopting those constructions to deny the Petition and keep that payment, the Board violated the APA and Petitioner's due process rights described above.

Petitioner had no notice that PO would construe the term “device”—as a single “integrated” device containing network components within it—until receiving the POPR. POPR, 26-30. Petitioner timely requested the ability to be heard on PO's flawed construction, which the Board denied. EX3001.

Although the grant of a reply is discretionary, it was an abuse of that discretion for the Board to adopt PO's claim constructions without hearing Petitioner's response. *Dell Inc. v. Acceleron, LLC*, 818 F.3d 1293, 1301 (Fed. Cir. 2016) (remanding where party did not have the “required opportunity” to address opposing party's contention and “the Board relied on that basis alone for an essential part” of its decision). The Board contends “it ha[d] sufficient information to weigh both parties' arguments,” but the Board's decision is devoid of any reasoning or analysis justifying its adoption of PO's device-related constructions. ID, at 12-15. The Board instead adopted PO's constructions without the benefit of Petitioner's position. *Id.*

To the extent PO argues Petitioner should have somehow addressed the

construction in the Petition, Petitioner is not required to anticipate every conceivable construction. *Axonics*, 75 F.4th at 1380-81 (“There is no rule . . . requiring a petition to describe all possible or reasonable claim constructions and to present invalidity theories under those constructions.”); *Qualcomm Inc. v. Intel Corp.*, 6 F.4th 1256, 1263 (Fed. Cir. 2021) (“[I]t is unreasonable to expect parties to ‘have briefed or argued, in the alternative, hypothetical constructions not asserted by their opponent.’”). The Board should have granted Petitioner the opportunity to respond prior to relying on PO’s flawed constructions to deny institution.

IV. CONCLUSION

For the above reasons, the Board abused its discretion in denying Petitioner a reply to the POPR, and as a consequence erred twice in construing Claim 18. Petitioner therefore requests that the Director reverse the institution denial or remand to the panel for reconsideration under the correct claim constructions.

Date: June 11, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on June 11, 2025, a complete and entire copy of the foregoing **Petitioner's Request for Director Review** and any accompanying exhibits were served upon the following email addresses to the counsel of record for the Patent Owner as follows:

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