

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

Petitioners,

v.

TRUESIGHT COMMUNICATIONS LLC,

Patent Owner.

Patent No. 8,745,749
Filing Date: April 1, 2011
Issue Date: June 3, 2014

Inventors: Joseph P. Zipperer and John Calixto
Title: VIRTUAL SECURE DIGITAL CARD

PATENT OWNER'S PRELIMINARY RESPONSE

Case No. IPR2025-00123

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2001	Third Amended Docket Control Order, Dkt. 67, <i>Truesight Commc'ns LLC v. Samsung Elecs. Co.</i> , Case No. 2:23-cv-00643-JRG (E.D. Tex. Jan. 24, 2025)
2002	Defendants' Amended Invalidity Contentions and P.R. 3-3 and 3-4 Disclosures, dated December 17, 2024 in <i>Truesight Commc'ns LLC v. Samsung Elecs. Co.</i> , Case No. 2:23-cv-00643-JRG (E.D. Tex.)

I. INTRODUCTION

On November 1, 2024, Samsung Electronics Co., Ltd., and Samsung Electronics America, Inc. (collectively, “Petitioner”) submitted a Petition (Paper 3, “Petition” or “Pet.”) to institute *inter partes* review (“IPR”) of U.S. Patent No. 8,745,749 (Ex. 1001, the “’749 Patent”), challenging Claims 1-8 and 13-25 (the “Challenged Claims”). The Petition asserts that Claims 1-8 and 13-25 are rendered obvious over various combinations of three or more references. The Board should deny the Petition for at least the reasons described below.

First, Petitioner fails in each of the four grounds to sufficiently show that any of the references or the combinations thereof disclose the limitations [1b, 18b] storing the media key block and the media identification, and limitations [14a, 22a] determining if the virtual SD card is provisioned, as required by one or more of the Challenged Claims. In proposing to combine Maeda’s physical secure digital card with Hamann’s GUI for virtualizing smart cards, Petitioner fails to sufficiently explain with evidence how the read-only media key block and media identification components of a physical secure card would be read and stored using Hamann’s virtualized smart card GUI. Petitioner incorrectly attempts to equate Maeda’s media identification with a manually entered label typed in by a user of the GUI, and Petitioner fails to identify any Hamann component corresponding to Maeda’s media key block. Further, Petitioner fails to sufficiently explain how the manually entered

contents of a list teach or suggest the required process of determining if the virtual SD card is provisioned in Maeda or Hamann. Petitioner presents no inherency analysis on either limitation. For both missing limitations, the Board should give no weight to Dr. Zadok's expert testimony because the relevant portions are substantively identical copies of the corresponding portions of the Petition. Dr. Zadok's copy-cat Declaration provides nothing more than conclusory and unsupportable attorney argument.

Second, the Petition is deficient because there is no likelihood of demonstrating a reasonable expectation of success for the Maeda-Hamann-AAPA combination. Petitioner presents no real expert testimony on expectation of success, and Petitioner's single paragraph alleging an expectation of success based on the "fairly similar" architecture is conclusory and not supported by the record. Maeda discloses a very specific architecture with an identifiable location for Maeda's media identification and media key block, while Hamann's 2-page description does not show any architecture, much less anything "fairly similar." Petitioner's expert submits a copy-cat Declaration restating the identical single paragraph of conclusory unsupportable attorney argument with no further evidence to support any expectation of success.

Third, the Board should exercise its discretion to deny the Petition under 35 U.S.C. § 314(a) for at least the following reasons: (i) a parallel District Court Litigation (defined below) exists between the same parties or real-parties-in-interest; (ii) the District Court Litigation involves the same subject patent (the '749 Patent) with substantially the same claims; (iii) the District Court's trial will be ***over seven months before*** the projected statutory deadline; (iv) the parties have heavily invested in the District Court Litigation and a trial date is set for October 6, 2025; and (v) there is no stay of the parallel District Court Litigation.

II. CLAIM CONSTRUCTION

For the purposes of this Preliminary Response, Patent Owner does not adopt any meaning other than the plain and ordinary meaning.

III. LEVEL OF ORDINARY SKILL IN THE ART

For the purposes of this Preliminary Response only, Patent Owner utilizes Petitioner's proposed level of skill in the art: "a bachelor's degree [in] computer science, computer engineering, or equivalent degree, and approximately two years of experience working in the computer science or engineering field" and "familiar with the design and implementation of data storage and/or file systems, as well as storage security and privacy techniques." Pet. at 21 (citations omitted).

**IV. PETITIONER HAS NOT DEMONSTRATED A REASONABLE
LIKELIHOOD OF SUCCESS FOR THE GROUNDS
ADVANCED IN THE PETITION, AND THE PETITION
SHOULD BE DENIED**

The question of obviousness is resolved on the basis of underlying factual determinations, including: (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, (3) the level of skill in the art, and (4) so-called secondary considerations where in evidence. *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 17-18 (1966); *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question is not whether the differences themselves would have been obvious, but whether the claimed invention as a whole would have been obvious. *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1537 (Fed. Cir. 1983).

The Board has held that a failure to identify the differences between the claimed subject matter and the prior art is fatal to an obviousness challenge. *See, Apple, Inc. v. Contentguard Holdings, Inc.*, IPR2015-00355, Decision Denying Institution of *Inter Partes* Review, Paper 9 at 9-10 (P.T.A.B. June 26, 2015) (denying institution for failure to identify the differences between the claimed subject matter and the prior art).

In arriving at an obviousness determination, the Board must sufficiently explain and support the conclusions that the prior art references disclose all the

elements recited in the Challenged Claims and a relevant, skilled artisan not only could have made, but would have been motivated to combine all the prior art references in the way the patent claims and reasonably expected success. *Pers. Web Techs., LLC v. Apple, Inc.*, 848 F.3d 987, 994 (Fed. Cir. 2017). That is, even if all the claim elements are found across a number of references, an obviousness determination must consider whether a person of ordinary skill in the art would have the motivation to combine those references. *Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1368 (Fed. Cir. 2016); *Los Angeles Biomedical Rsch. Inst. at Harbor-UCLA Med. Ctr. v. Eli Lilly & Co.*, 849 F.3d 1049, 1067 (Fed. Cir. 2017) (vacating and remanding an obviousness determination, in part, because the Board did not make factual finding as to whether there was an apparent reason to combine all three prior art references to achieve the claimed invention and whether a person of skill in the art would have had a reasonable expectation of success from such a combination). This combinability determination, as supported by an articulated motivation to combine, requires a plausible rationale as to why those prior art references would have worked together. *Broadcom Corp. v. Emulex Corp.*, 732 F.3d 1325, 1335 (Fed. Cir. 2013). Absent some articulated rationale, a “common sense” finding is no different than the conclusory statement “would have been obvious.” *In re Van Os*, 844 F.3d 1359, 1361 (Fed. Cir. 2017). Of additional

importance, “knowledge of a problem and motivation to solve it are entirely different from motivation to combine particular references...” *Innogenetics, N.V. v. Abbott Lab’ys.*, 512 F.3d 1363, 1373 (Fed. Cir. 2008).

To demonstrate inherent obviousness, an inherent limitation must necessarily be present in the combination of references. *See Pers. Web Techs., LLC v. Apple, Inc.*, 917 F.3d 1376 (Fed. Cir. 2019); *LBT IP I LLC v. Apple Inc.*, No. 2022-1613, 2023 WL 3914920, at *3 (Fed. Cir. June 9, 2023). It is not enough to merely show that it is likely to be present. *Id.*

A. Claims 1-8, 13, and 18-21 Are Not Rendered Obvious by Any Combination Because the Petition Fails to Disclose or Suggest “storing the media key block and the media identification”

Petitioner fails to show how the prior art references alone or in combination teach or suggest the claimed features of **storing the media key block and the media identification**.

As background, the claims recite [1a, 18a] reading a media key block and media identification for an SD card, and [1b, 18b] storing the media key block and the media identification. For Claim Limitation 1a, Petitioner relies on Maeda (which is a reference teaching the features of a physical SD card) to show that Maeda’s physical SD card comprises a media key block and a media identification. Pet. at 27-28. As Petitioner acknowledges, Maeda’s apparatus 200 has only “read-only” access

to Maeda's media key block and media identification. *Id.* Thus, Maeda does not teach any other type of access or function by Maeda's apparatus 200 with respect to the media key block and media identification—only reading. *Id. citing* Ex. 1006 at 13:49-54. Beyond the function of reading, the read-only media key block and media identification of Maeda are silent. Maeda is also silent on virtualization.

For Claim Limitation 1b, Petitioner relies on the combination of Maeda-Hamann-AAPA to allege disclosure/suggestion of **storing the media key block and the media identification** in the context of generating a virtual secure digital SD card. As stated above, Petitioner submits that Maeda's apparatus 200 reads the read-only media key block and media information. However, for Claim Limitation 1b, Petitioner primarily relies on the disclosures in Hamann.

Hamann's entire non-background description spans roughly two pages. Hamann does not disclose any secure digital card, physical or virtual. Hamann discloses virtualization of what it refers to as a smart card. Hamann's smart card is not Maeda's secure digital card, or anything like it.

Hamann does not disclose Maeda's **media key block and the media identification**. Instead, Petitioner attempts to combine Maeda with Hamann by equating Maeda's media identification read by apparatus 200 with Hamann's unique identifier label, which Hamann suggests "should be" entered as the serial number

(though it is not required, and a user can type enter any label of its choice). However, Hamann's unique identifier label is not a media identification that is read or stored. Instead, as shown below, Hamann's unique identifier is a label entered manually by a user of Hamann's Manager GUI.

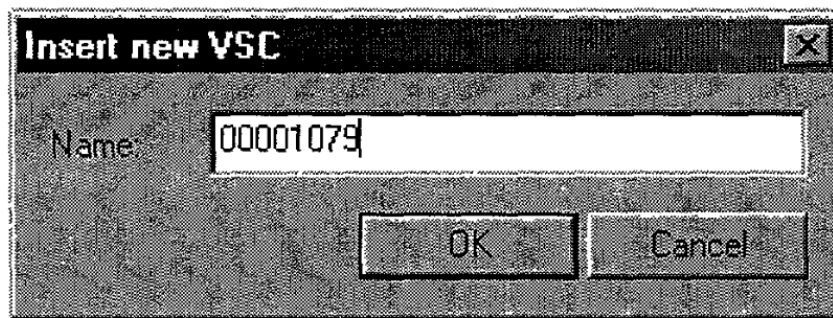


FIG. 3I

Claim Limitation 1b refers to “the media identification” that is read in Claim Limitation 1a. Hamann's disclosure shows storing the previously read media identification is not disclosed or suggested by Maeda or Hamann.

For Claim Limitation 1b, Petitioner glosses over Maeda's media key block and does not even attempt to identify any feature of Hamann that it believes is analogous to Maeda's media key block for the purpose of showing that Maeda's media key block is stored in Hamann. Petitioner does not attempt to show how Maeda's media key block, or anything analogous to it, would be found within

Hamann's "logical file structure" or "data objects." Petitioner's combination fails to address that Maeda's media key block is not kept within the areas identified by Petitioner as corresponding to Hamann's "logical file structure" or "data objects." Petitioner argues that Maeda's media key block is used to access file systems and to encode decode the data within those file systems; however, the evidence that Petitioner relies on suggests the opposite: that Maeda's media key block is not part of Hamann's logical file structure or Hamann's data objects. Petitioner's proposed combination is inconsistent with the Maeda reference because Maeda's media key block is found within Maeda's "secure processing unit" which is outside of Maeda's "protected area," and there is no evidence to show that any equivalent unit is copied or otherwise virtualized from a physical SD card to a virtual SD card. Relying on the conclusory and unsupportable opinion that Maeda's physical SD card and Hamann's smart card architectures are similar, Petitioner provides no relevant explanation and no actual evidence to supported the alleged similarity.

Petitioner's expert provides no evidence or explanation to bridge this gap. Substantively, Dr. Zadok's testimony is a complete copy of the Petition. *Compare* Pet. at 28-31 with Ex. 1002 at Paragraphs 219-227 (both documents starting with "Moreover..."). Dr. Zadok's copy-cat Declaration provides nothing more than attorney argument. Petitioner's expert should be given no weight, and the Board

should reject Petitioner's conclusory statements as unsupported by the record.

Petitioner's conclusory argument amounts to an inherency argument without explanation of why the element is necessarily present. Without further explanation, the Petition and the accompanying expert Declaration conjure up a mere possibility of an undisclosed outcome from a given set of circumstances. *LBT IP I LLC*, 2023 WL 3914920, at *3 (finding that an obviousness argument based on a skilled artisan's understanding of necessary presence of an element not explicitly disclosed in the references must meet the standard for inherency, and rejecting expert testimony that fails to explain why the claim limitation is necessarily present).

Accordingly, Petitioner has failed to show a reasonable likelihood of success as to Claims 1-8, 13, and 18-21, and the Petition should be denied.

B. Claims 14-17 and 22-25 Are Not Rendered Obvious by Any Combination Because the Petition Fails to Disclose "determining if the virtual SD card is provisioned"

Petitioner fails to show how the prior art references alone or in combination teach or suggest the claimed features of **determining if the virtual SD card is provisioned**.

As discussed above, Maeda's disclosure is limited to a physical SD card. Maeda does not disclose or suggest any virtualization of an SD card, much less any determination if a virtual SD card has been provisioned.

To meet this limitation, Petitioner proposes a combination based on Maeda with Hamann's disclosure of a smart card manager GUI showing available smart card readers and virtual smart cards. Ex. 1007 at 0049-0051 and FIGS. 3A, 3K. Hamann's Paragraph 0049 and FIG. 3A are completely irrelevant because they merely show a list containing a label corresponding to a smart card reader. The remainder of Hamann's Paragraph 0049 discloses the functionality of selecting objects to be copied from a smart card to a computer. Hamann's Paragraph 0050 merely describes the initiation of a virtual smart card program to create a new virtual smart card. This creation process includes manually entering a label for the identification of the virtual smart card. *Id.* at [0050] ("A new VSC can be created by pressing the button "New" [see FIG. 3H]. The identifier should be specified using the serial number of the real smart to be assigned to the new VSC [see FIG. 3I]."). Hamann's Paragraph 0052 merely discloses that the manager GUI displays the created VSC in the list after creation with the label manually entered by the operator. None of Hamann's Paragraphs 0049-0052 are relevant to any claimed requirement of *determining if the virtual SD card is provisioned*.

As shown below, Hamann's user manually enters a label for a virtual smart card, and the label is displayed in a list.

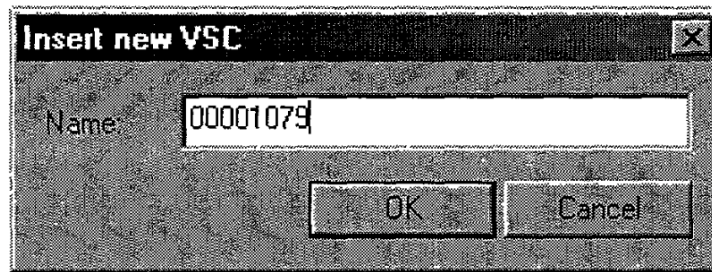


FIG. 3I

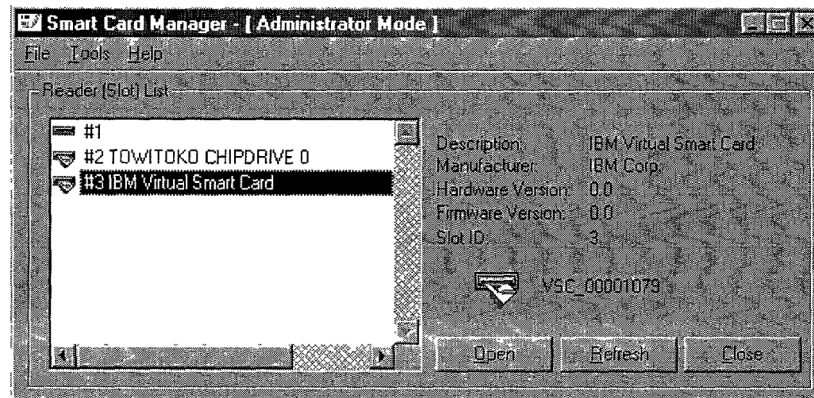


FIG. 3K

There is no teaching or suggestion of any determination. The disclosures identified in the Petition merely show the manual creation of a label for a virtual smart card in a GUI.

Petitioner's expert provides no evidence or explanation to bridge this gap. Substantively, Dr. Zadok's testimony is a complete copy of the Petition. *Compare* Pet. at 47-50 with Ex. 1002 at Paragraphs 288-295. Dr. Zadok's copy-cat Declaration

provides nothing more than attorney argument. Petitioner's expert should be given no weight, and the Board should reject Petitioner's conclusory statements as unsupported by the record. Petitioner's conclusory argument amounts to an inherency argument without explanation of why the element is necessarily present. Without further explanation, the Petition and the accompanying expert Declaration conjure up a mere possibility of an undisclosed outcome from given set of circumstances. *LBT IP I LLC*, 2023 WL 3914920, at *3 (finding that an obviousness argument based on a skilled artisan's understanding of necessary presence of an element not explicitly disclosed in the references must meet the standard for inherency, and rejecting expert testimony that fails to explain why the claim limitation is necessarily present).

Accordingly, Petitioner has failed to show a reasonable likelihood of success as to Claims 14-17 and 22-25, and the Petition should be denied.

C. Claims 1-8 and 13-25: Petitioner Has Failed to Articulate a Proper Motivation to Combine and There Is No Reasonable Likelihood of Demonstrating a Reasonable Expectation of Success for the Maeda-Hamann-AAPA Combination

The Board should deny the Petition because there is no likelihood of demonstrating a reasonable expectation of success for the Maeda-Hamann-AAPA combination. Petitioner presents no real expert testimony on expectation of success, and Petitioner's single paragraph about the "fairly similar" architecture is not

supported by the record because Hamann's 2-page description does not show any architecture. As shown below, Petitioner's expert Declaration includes a copy-cat paragraph restating the conclusory and unsupportable attorney argument.

As to Claims 1-8, 13, and 18-21, while Petitioner provides six pages of various proposals to combine the references for different limitations, Petitioner submits one short conclusory paragraph addressing a POSITA's expectation of success. Pet. at 43 (paragraph starting with "Indeed...").

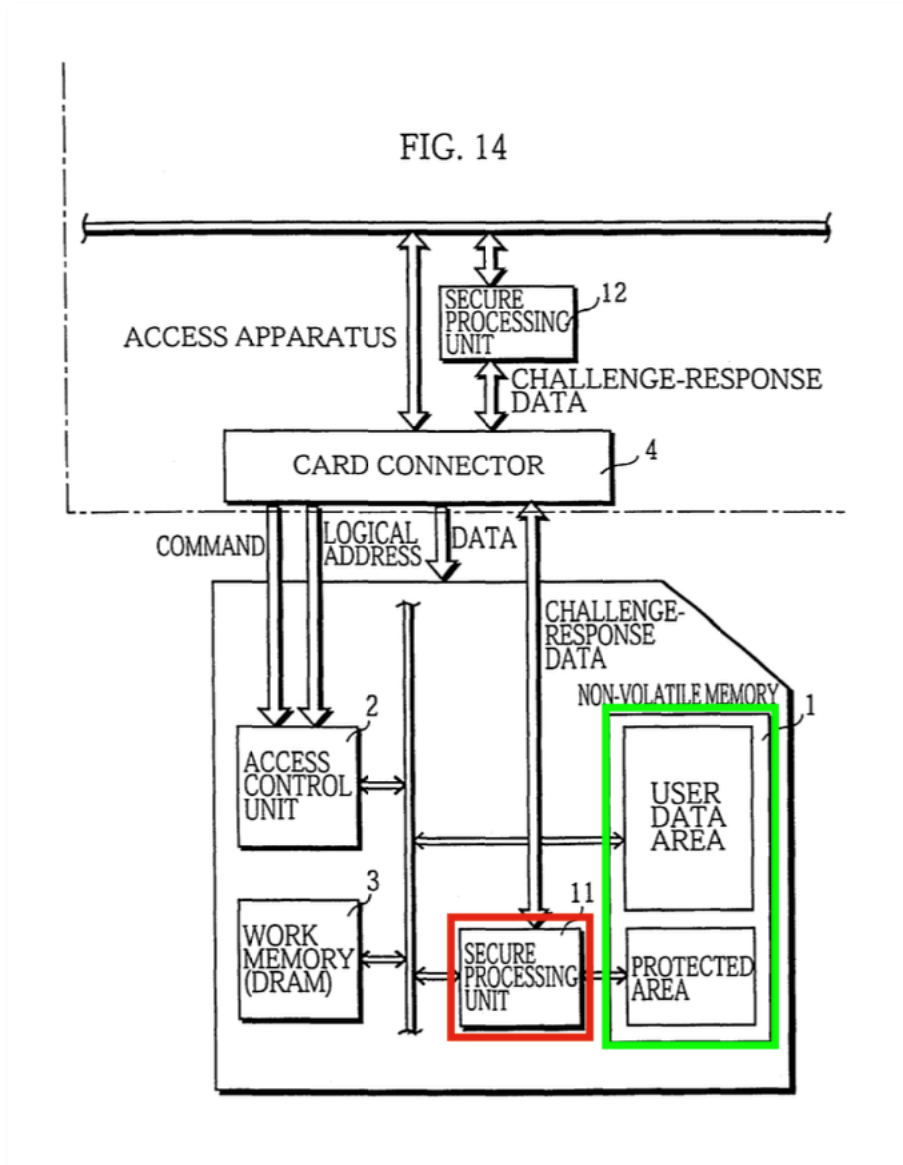
Indeed, POSITAs would have expected success in making the *Maeda-Hamann-AAPA* combination, as the architectures in each are fairly similar. For example, *Hamann's* "smart card" and *Maeda's* SD card (and the *AAPA's* SD card) have similar data formats (e.g., protected area, user area) and encryption. See *Hamann*, ¶[0016] ("VSC having a logical file structure comprising a public area, a private area, a secure key area, password area, and an [sic] unique identifier area."); see also *Maeda*, 6:66-7:2, 13:30-33. Thus, virtualizing *Maeda's* SD card would have been well within POSITAs' abilities, especially in view of *Hamann* and *Maeda's* detailed teachings. *Zadok*, ¶271.

As depicted above, the Petition barely addresses the requirement to show a reasonable expectation of success. Petitioner's arguments are conclusory and unsupported by any real expert testimony. Dr. Zadok's expert Declaration lacks any substantive input on expectation of success and merely copies Petitioner's arguments. Ex. 1002 at Paragraph 271.

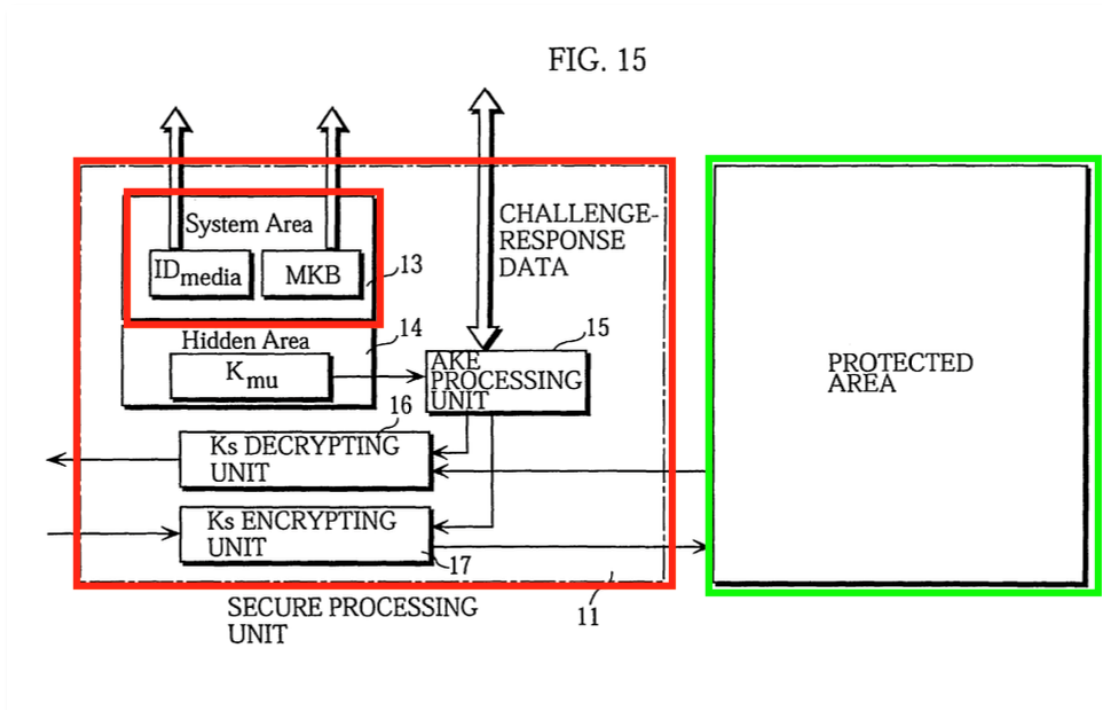
271. Indeed, POSITAs would have expected success in making the Maeda-Hamann combination, as the architectures in each are fairly similar. For example, Hamann’s “smart card” and Maeda’s SD card have similar data formats (*e.g.*, protected area, user area) and encryption. See EX1007, Hamann, ¶[0016] (“VSC having a logical file structure comprising a public area, a private area, a secure key area, password area, and an [sic] unique identifier area.”); *see also* EX1006, Maeda, at 6:66-7:2, 13:30-33 (describing that its semiconductor memory card includes a user data area, a protected area, as well as a partition control area and a the system area”). Thus, virtualizing Maeda’s SD card would have been well within a POSITA’s abilities, especially in view of Hamann and Maeda’s detailed teachings, as I detail next.

Petitioner and Dr. Zadok contend that the combination would have been successful based on the conjecture that the “architectures in each are fairly similar.” However, Petitioner’s allegation is not based on the record and fails to account for lack of supporting disclosure in the 2-page detailed description of the Hamann reference.

As shown below, Maeda’s architecture of a physical secure digital SD card is outlined across numerous figures and corresponding descriptions. Maeda’s physical secure digital SD card has a secure processing unit that is external to any file structure or data objects in the user data area or protected area.



Ex. 1006, FIG. 14.



Id., FIG. 15.

Meanwhile, in comparison to Maeda's architecture, Petitioner does not identify any similar architecture in Hamann. Hamann's bare 2-page description contains no similar disclosure, and Hamann does not depict or describe any architecture for a virtual smart card or any physical smart card for that matter. There is no disclosure of anything similar to Maeda's secure processing unit containing the media identification and media key block which the claim requires to be read and stored. Petitioner's conclusory argument for "fairly similar" architectures to support an allegation of success is based on pure conjecture and no evidence. Simply stating they are fairly similar is not enough; Petitioner must identify supporting evidence,

and it failed to do so.

As to Claims 14-17 and 22-25, Petitioner fails to address likelihood of success when allegedly combining the references to meet the limitations related to **determining if the virtual SD card is provisioned**. This is likely because no such determination is described or suggested in any of the references.

Accordingly, Petitioner has failed to articulate a proper motivation to combine Maeda, Hamann, and AADA and to show a reasonable likelihood of success as to Claims 1-8 and 13-25, and the Petition should be denied.

V. THE PETITION SHOULD BE DENIED IN THE DISCRETION OF THE DIRECTOR UNDER 35 U.S.C. § 314(a)

Based on Petitioner's reasons regarding § 314(a), the Board should exercise its discretion to deny this Petition.

The circumstances of the parallel District Court Litigation, *Truesight Commc'ns, LLC v. Samsung Elecs. Co.*, No. 2:23-cv-00643-JRG-RSP (E.D. Tex.) necessitate denial of the Petition under the Board's precedent, as every factor considered in relation to efficiency, fairness, and the merits supports denial. *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, at 6 (P.T.A.B. Mar. 20, 2020) (precedential) (considering (a) "whether the petitioner and the defendant in the parallel proceeding are the same party"; (b) "overlap between issues raised in the petition and in the parallel proceeding" (c) "proximity of the court's trial date to the

Board’s projected statutory deadline for a final written decision”; (d) “investment in the parallel proceeding by the court and the parties”; (e) “whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted”; and (f) “other circumstances that impact the Board’s exercise of discretion, including the merits.”).

As set forth below, these factors collectively demonstrate that efficiency and integrity of the AIA are best served by denying review. First, the Petitioner are the Defendants in the parallel proceeding. *See infra* Section VII.A. Second, the District Court Litigation involves substantially the same claims at issue in the Petition. *See infra* Section VII.B. Third, trial in the District Court Litigation is set for October 6, 2025, more than seven months prior to the projected statutory deadline for a Final Written Decision of this Petition on May 25, 2026. *See infra* Section VII.C. Fourth, the parties (and Patent Owner in particular) have invested significant resources on developing legal and factual issues of validity and infringement in the District Court Litigation and will have invested substantially more resources before any decision on this Petition. *See infra* Section VII.D. Fifth, while Defendants have moved for a stay of the District Court Litigation, it is likely that the Court will deny the request for a stay. *See infra* Section VII.E. Finally, no other factors favor institution. *See infra* Section VII.F.

Accordingly, the Board should exercise its discretion under § 314(a) and deny the Petition because institution of this proceeding would not be consistent with the objective of the AIA to “provide an effective and efficient alternative to district court litigation.” *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8, at 20 (P.T.A.B. Sept. 12, 2018) (quoting *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19, at 16–17 (P.T.A.B. Sept. 6, 2017) (precedential)).

A. The Parallel District Court Litigation and the Petition Involve the Same Parties

As Petitioner notes, there exists a parallel District Court Litigation between the same parties regarding the same subject patent (the '749 Patent). Pet. at 89. Petitioner is a party to the District Court Litigation captioned as *Truesight Commc'ns, LLC v. Samsung Elecs. Co.*, No. 2:23-cv-00643-JRG-RSP (E.D. Tex.). Accordingly, this factor weighs in favor of discretionary denial.

B. The District Court Litigation Involves Substantially the Same Claims

There is substantial overlap between the claims at issue in this Petition and the District Court Litigation because the Petition challenges all but one of the claims asserted in the District Court Litigation. “In at least these ways, the parallel proceedings would duplicate effort. This is an inefficient use of Board, party, and judicial resources and raises the possibility of conflicting decisions.” *Cisco Sys., Inc.*

v. Ramot at Tel Aviv Univ. Ltd., IPR2020-00122, Paper 15 at 10 (P.T.A.B. May 15, 2020).

Petitioner relies on its *Sotera* stipulation (Ex. 1020) in arguing that discretionary denial is not warranted. However, Petitioner's *Sotera* stipulation is insufficient, because it states that "if the PTAB either declines institution or later vacates institution of this IPR, Samsung reserves the right to pursue in this litigation any ground that was raised or reasonably could have been raised in the IPR" but based on Petitioner's positions in its stipulation, may only apply to "those grounds to be addressed at the PTAB." Ex. 1020, *Sotera* Stipulation. Therefore, Petitioner's stipulation is not necessarily as expansive as the stipulation discussed in *Sotera Wireless Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 13 (P.T.A.B. Dec. 1, 2020), because Petitioner states that it relinquishes grounds only addressed by the PTAB. As such, Petitioner does not qualify for the treatment described in the Interim Procedure for *Sotera* stipulations. *See Samsung Elecs. Co. v. Cal. Inst. of Tech.*, IPR2023-00130, Paper 10 (P.T.A.B. May 4, 2023).

Moreover, Petitioner's *Sotera* stipulation is insufficient because there will still be issues related to conception and reduction to practice that will need to be addressed by the Board and the District Court. Specifically, one issue is whether the inventor had a prior conception and reduction to practice of the invention of the '749

Patent, and there is at least one reference that is common to all grounds at issue in the Petition that is dated less than a year prior to the effective filing date of the '749 Patent. The assignee on the face of the '749 Patent (i.e., Media IP, LLC) was working on this technology prior to the filing date of the '749 Patent and, accordingly, both the Board and the District Court will have to address the conception and reduction to practice issues regardless of whether the Petition is instituted. Therefore, there are overlapping issues related to validity as the same issues of validity will be litigated in both forums.

Lastly, the Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation was issued under the prior administration, which is expected to be replaced “with rules after it has completed formal rulemaking.” *See*

https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621.pdf.

Accordingly, this factor weighs in favor of discretionary denial.

C. Proximity of the District Court’s Trial Date

The proximity of the District Court Litigation’s trial date to the Board’s projected statutory deadline for a Final Written Decision strongly weighs in favor of discretionary denial.

The parties' trial is scheduled for October 6, 2025. Ex. 2001 (Third Amended Docket Control Order, Dkt. 67, *Truesight Commc'ns, LLC v. Samsung Elecs. Co.*, No. 2:23-cv-00643-JRG-RSP (E.D. Tex. Jan. 24, 2025)). Pursuant to 35 U.S.C. §§ 314(b)(1) and 316(a)(11), the projected statutory deadline for a Final Written Decision of this Petition is May 25, 2026.¹ As the District Court's trial will be ***more than seven months before*** the projected statutory deadline, this factor weighs strongly in favor of denying institution. *See Supercell Oy v. Gree, Inc.*, IPR2020-00513, Paper 11 at 10-12 (P.T.A.B. June 24, 2020) (denying institution where the jury trial was scheduled to conclude approximately ten months before the statutory deadline); *Edward LifeSciences Corp. v. Evalve, Inc.*, IPR2019-01479, Paper 7, at 6-13 (P.T.A.B. Feb. 26, 2020) (denying institution where jury trial would conclude more than nine months before a final decision would be due); *Samsung Elecs. Am., Inc. v. Uniloc 2017 LLC*, IPR2019-01218, Paper 7, at 7-10 (P.T.A.B. Jan. 7, 2020) (denying institution where jury selection was scheduled for approximately six months before trial in the Board proceeding would conclude); *Next Caller Inc. v. TrustID, Inc.*, IPR2019-00961, -00962, Paper 10, at 8-16 (P.T.A.B. Oct. 16, 2019)

¹ The statutory deadline for institution is May 25, 2025, "three months after receiving a preliminary response to the petition under section 313." *See* 35 U.S.C. § 314(b)(1). If instituted, the statutory deadline for a Final Written Decision is May 25, 2026, "not later than 1 year after the date on which the Director notices the institution of a review."

(denying institution where trial was scheduled to conclude “several months,” before a final decision would be due); *Cisco Sys., Inc.*, IPR2020-00122, Paper 15 at 8 (“Because the trial date is substantially earlier than the projected statutory deadline for the Board’s final decision, this factor weighs in favor of discretionary denial.”).

Petitioner does not contest that the proximity of the trial favors denial of institution, only that because it submitted a *Sotera* stipulation, no discretionary denial is warranted. Thus, this factor also weighs in favor of discretionary denial.

D. Significant Investment and Petitioner’s Delay in Filing the Petition

The parties’ investment in the parallel proceeding weighs in favor of discretionary denial. In the District Court Litigation, the Court has already entered four Docket Control Orders (Dkts. 31, 34, 59, 67), a Discovery Order (Dkt. 36), a Protective Order (Dkt. 38), and an E-Discovery Order (Dkt. 46). Discovery is also well under way. The parties have already exchanged infringement and supplemental infringement contentions pursuant to P.R. 3-1 and invalidity contentions pursuant to P.R. 3-3, and claim construction proceedings are underway. Ex. 2001. A trial date is also set for October 6, 2025, which is approximately seven months away. *Id.* Thus, the parties’ and Court’s substantial investment in this proceeding weighs in favor of denial of institution under this factor.

E. No Stay of the Parallel District Court Litigation

There is no stay of the parallel District Court Litigation and Petitioner has only filed a motion to stay on January 8, 2025. *See* Dkt. 60, *Truesight Commc 'ns, LLC v. Samsung Elecs. Co.*, No. 2:23-cv-00643-JRG-RSP (E.D. Tex. January 8, 2025). Even if the Petition were instituted, there are other petitions filed by Petitioner which have not yet been instituted, and prejudice, tactical disadvantage to Patent Owner, the late stage of the litigation, and the lack of potential simplification would weigh strongly against such a motion. *See Lennon Image Techs., LLC v. Macy's Retail Holdings, Inc.*, 2:13-CV-00235-JRG, 2014 WL 4652117, at *1 (E.D. Tex. Sept. 18, 2014). The statutory deadline for institution (on May 25, 2025) is not until after the related District Court Litigation claim construction hearing will be completed (on April 2, 2025). Ex. 2001; *see Intell. Ventures II v. FedEx Corp.*, No. 2:16-cv-00980-JRG, Dkt. 141 at 5 (E.D. Tex. Oct. 24, 2017) (“The Court agrees that the Parties have already invested substantial effort and resources during discovery and in preparing claim construction briefing. . . . These circumstances weigh against staying this case”).

Additionally, the Court is unlikely to grant a stay when the Petition does not address all asserted claims in the District Court Litigation. At least claim 11 of the '749 Patent is currently asserted in the District Court Litigation and is not challenged in the Petition.

Moreover, a stay would not decrease the burden on the Court and the parties since any instituted IPR would only cover 5 of the 13 references relied on by Petitioner in the District Court and only 4 out of at least **102** combinations of obviousness that Petitioner has raised in the District Court Litigation, and do not include Petitioner's challenges under § 101, § 102, or § 112. *See generally* Ex. 2002, at 15-23, 228-355. *Intell. Ventures II*, No. 2:16-cv-00980-JRG, Dkt. 141 at 3-4 (“[T]he instituted IPRs only cover a narrow slice of the invalidity arguments Defendants have raised in this case. For example, Defendants have argued that the ’749 Patent is invalid under § 102 with respect to at least eight references . . . under § 103 with respect to at least twenty-six combinations . . . under § 112 [], and under § 101.”).

Accordingly, it would be unlikely for the Court to hold that a stay would streamline the litigation, and this factor supports denial of institution.

F. Other Factors Favor Discretionary Denial

Petitioner does not present a strong case on the merits, further supporting denial of institution. *See supra* Section IV. Petitioner also does not identify any other factors which weigh against discretionary denial. Pet. at 88-89.

Thus, when viewing the factors together, the Petition should be denied in the Director's discretion under 35 U.S.C. § 314(a).

VI. CONCLUSION

For the foregoing reasons, Patent Owner respectfully requests that the Board deny institution of the Petition in its entirety.

Respectfully submitted,

Dated: February 25, 2025

By: /Peter Lambrianakos /
Peter Lambrianakos (Reg. No. 58,279)
Email: plambrianakos@fabricantllp.com
Lead Counsel for Patent Owner
Vincent J. Rubino, III (Reg. No. 68,594)
Email: vrubino@fabricantllp.com
Enrique W. Iturralde (Reg. No. 72,883)
Email: eiturralde@fabricantllp.com
Back-Up Counsel for Patent Owner
FABRICANT LLP
411 Theodore Fremd Avenue
Suite 206 South
Rye, New York 10580
Tel. 212-257-5797
Fax. 212-257-5796

John A. Rubino (Reg. No. 71,543)
Email: jarubino@rubinoip.com
Back-Up Counsel for Patent Owner
RUBINO IP
51 J.F.K. Parkway
Short Hills, NJ, 07078
Telephone: (201) 341-9445
Facsimile: (973) 535-0921

CERTIFICATE OF WORD COUNT

The undersigned hereby certifies that the portions of the above-captioned PATENT OWNER'S PRELIMINARY RESPONSE specified in 37 C.F.R. § 42.24 has 4,997 words in compliance with the 14,000 word limit set forth in 37 C.F.R. § 42.24. This word count was prepared using Microsoft Word for Office 365.

Respectfully submitted,

February 25, 2025

By: /Peter Lambrianakos /
Peter Lambrianakos (Reg. No. 58,279)
Lead Counsel for Patent Owner
FABRICANT LLP
411 Theodore Fremd Avenue,
Suite 206 South
Rye, New York 10580
Tel. 212-257-5797
Fax. 212-257-5796

CERTIFICATE OF SERVICE

A copy of the foregoing Patent Owner's Preliminary Response and Exhibits

2001 through 2002 have been served on Petitioner's counsel of record as follows:

Jeffrey A. Miller
Email: jeffrey.miller@apks.com
ARNOLD & PORTER KAYE SCHOLER LLP
5 Palo Alto Square, Suite 500
3000 El Camino Real
Palo Alto, CA 94306

Ali R. Sharifahmadian
Email: ali.sharifahmadian@arnoldporter.com
ARNOLD & PORTER KAYE SCHOLER LLP
601 Massachusetts Ave., NW
Washington, DC 20001-3743

*Attorneys for Samsung Electronics Co., Ltd.;
Samsung Electronics America, Inc.*

February 25, 2025

By: /Peter Lambrianakos /
Peter Lambrianakos (Reg. No. 58,279)
Lead Counsel for Patent Owner
FABRICANT LLP
411 Theodore Fremd Avenue,
Suite 206 South
Rye, New York 10580
Tel. 212-257-5797
Fax. 212-257-5796