

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE LLC,
SAMSUNG ELECTRONICS CO., LTD., and
SAMSUNG ELECTRONICS AMERICA, INC.,
Petitioners,

v.

MULLEN INDUSTRIES LLC,
Patent Owner.

Case No. IPR2025-00227

Patent No. 9,635,540

**PETITIONERS' REQUEST FOR REHEARING OF DECISION
GRANTING PATENT OWNER'S REQUEST FOR DISCRETIONARY
DENIAL AND DENYING INSTITUTION OF *INTER PARTES* REVIEW**

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I. INTRODUCTION

Petitioners respectfully request reconsideration of the Director's¹ decision discretionarily denying institution (Paper 13, "Decision"). As discussed below, the Decision is flawed in multiple respects, each of which warrants reversal.²

II. THE DECISION'S "SETTLED EXPECTATIONS" RATIONALES ARE IMPROPER

A. The Director's Recent Discretionary Decisions Confirm That This IPR Should Have Been Referred to the Merits Panel

The Decision posits that, because "the '540 patent has been in force since 2017," Mullen somehow developed "settled expectations" that "tip the balance in favor of discretionary denial." But the Director has recently explained that "[t]here may be persuasive reasons why the Board should review challenged claims several years after their issuance date," including where "a patent may have been in force for years but may not have been commercialized, asserted, marked, licensed, or otherwise applied in a petitioner's particular technology space, if at all." *Intel Corp. v. Proxense LLC*, IPR2025-00327, Paper 12 at 2-3 (June 26, 2025).

¹ References herein to the "Director" include Acting Director Stewart and/or any person to whom she delegated her authority to issue a discretionary decision.

² Unless otherwise indicated, all emphases herein are added, and internal citations are omitted.

As Petitioners’ Opposition (Paper 12) pointed out, the ’540 patent may have issued in 2017, but it was only first asserted in litigation (against Apple) in 2022, which was only two years before it was asserted against Samsung and this IPR was subsequently filed. Opposition at 12. Mullen provided no pre-suit notice of the patent to Samsung. And Mullen has never commercialized any product or service practicing the ’540 patent—indeed, Mullen “makes no products, offers no services, and has no apparent business other than filing lawsuits.” Opposition at 4.

These facts should have weighed against discretionary denial under the “settled expectations” framework the Director has promulgated. *See Shenzhen Tuozhu Tech. Co. v. Stratasys, Inc.*, IPR2025-00531, Paper 10 (Director July 17, 2025) (declining to discretionarily deny IPR on patent issued in 2015, explaining that “evidence that the challenged patents have never been ‘commercialized, asserted, marked, licensed, or otherwise applied’ in Petitioner’s ‘particular technology space’...weighs against Patent Owner’s claim of strong settled expectations”) (quoting *Intel*, IPR2025-00327, Paper 12).

The Decision denying institution should be reversed and the Petition should be referred to the merits panel.

B. Patent Owners Have No “Settled Expectations” Based on How Long Ago a Patent Issued

The Decision’s finding that Mullen developed “settled expectations” warranting discretionary denial based on seven years having passed between the

patent's 2017 issuance and this IPR's 2024 filing is contrary to law and thus an abuse of discretion warranting reversal. Cutting off access to IPR petitions seven years after patent issuance (or indeed any number of years counted from issuance) contradicts the explicit time frame specified by Congress in the IPR statute.

Directly contrary to the Director's Decision, the Federal Circuit has held in no uncertain terms that patent owners receive their patents with the (non-time-limited) knowledge and expectation that those patents may be subject to post-issuance reconsideration proceedings by the PTO, including IPRs. In rejecting a patent owner's challenge to the constitutionality of the IPR statute, the Federal Circuit considered the similarities and differences with prior reexamination procedures and held:

These differences [between IPRs and reexaminations] do not disrupt *the expectation that patent owners have had for nearly four decades—that patents are open to PTO reconsideration and possible cancellation* if it is determined, on the grounds specified in § 311(b), that the patents should not have issued in the first place[.]

. . .

Patent owners have always had the expectation that the validity of patents could be challenged in district court. For forty years, *patent owners have also had the expectation that the PTO could reconsider the validity of issued patents* on particular grounds, applying a preponderance of the evidence standard.

Celgene Corp. v. Peter, 931 F.3d 1342, 1361-63 (Fed. Cir. 2019).

The PTO intervened in *Celgene*, and repeatedly advanced the position that patent owners lack a settled expectation that their patents will not be subject to post-issuance challenges, including IPRs. *See* Brief for Intervenor at 42-43, *Celgene Corp. v. Iancu*, No. 2018-1167 (Fed. Cir. Aug. 30, 2018) (Doc. No. 43) (discussing continuity and similarities between reexamination and IPR procedures, including that “patents have been subject to reconsideration and cancellation by the USPTO in administrative proceedings for nearly four decades” via petitions that can be filed “at any time”); Intervenor’s Response to Petition for Rehearing *En Banc* at 2-6, 12-15, *Celgene Corp. v. Peter*, No. 2018-1167 (Fed. Cir. Nov. 19, 2019) (Doc. No. 92) (explaining that for “forty years, patent owners have...had the expectation that the PTO could reconsider the validity of issued patents,” and that there is “no reasonable expectation that a patent will be shielded from scrutiny” at any point in its life); Brief for the Respondent in Opposition to *Certiori* at 14-18, *Celgene Corp. v. Peter*, No. 19-1074 (U.S. May 2020) (same, and expressly arguing against supposed “investment-backed expectations of [patent] owners” that their patents would not be challenged). The PTO in *Celgene* advanced the same position as Petitioners here, and prevailed. *Celgene*, 931 F.3d at 1361-63. The PTO’s reversed position here is unexplained, capricious, and flatly inconsistent with controlling law.

Indeed, having succeeded with its argument in *Celgene*, the PTO is judicially estopped from taking the opposite position in later proceedings, including this one. *See Trs. in Bankr. of N. Am. Rubber Thread Co. v. United States*, 593 F.3d 1346, 1353 (Fed. Cir. 2010) (“Where a party assumes a certain position in a legal proceeding, and succeeds in maintaining that position, he may not thereafter, simply because his interests have changed, assume a contrary position.”); *see also United States v. Paulson*, 68 F.4th 528, 547 & n.29 (9th Cir. 2023), *cert. denied*, 144 S. Ct. 1029-30 (2024) (“[J]udicial estoppel may be applied to prevent the government from asserting inconsistent legal arguments.”).

The Director’s Decision is also inconsistent with Congressional intent. As with the earlier reexamination procedures, Congress was explicit on the time frame to file IPR petitions. A petition may be filed any time after “the later of either...9 months after the grant of a patent...or the date of the termination of [any] post-grant review,” with no end date. 35 U.S.C. §311(c). Petitions can also be filed after patent expiration, and have been for more than a decade. *See Apple Inc. v. Gesture Tech. Partners, LLC*, 127 F.4th 364, 368-69 (Fed. Cir. 2025) (“We confirm here that the Board has jurisdiction over IPRs concerning expired patents.”). There is no *sub silentio* point when patents become immune to IPR petitions due to so-called “settled expectations.”

Where Congress wanted to put time limits on filings, it did so. *E.g.*, 35 U.S.C §315(b) (one-year time limit on IPR petitions after service of infringement complaint); §321(c) (PGR petitions to be filed within nine months of patent grant). Congress was indeed clear on the minimum age for a patent to be subject to IPR in Section 311(c)—nine months after issuance—with no maximum age. Applying some nebulous time within that window where “settled expectations” prevent IPR in practice directly contradicts the statute itself. It is arbitrary and capricious, violating the APA. It also exceeds the PTO’s authority and is *ultra vires*. See *Kirtsaeng v. John Wiley & Sons, Inc.*, 579 U.S. 197, 203 (2016) (“in a system of laws discretion is rarely without limits”); *Kirkendall v. Dep’t of Army*, 479 F.3d 830, 844 (Fed. Cir. 2007) (even when a statute affords some “discretion,” an agency “must administer the law as Congress wrote it”); *Hernandez v. Ashcroft*, 345 F.3d 824, 846-47 (9th Cir. 2003) (the “question at issue can be stated as follows: May the [agency] insulate a decision that is contrary to law from review by labeling such a decision discretionary? The [agency] has ***no discretion to make a decision that is contrary to law***.... Because the decision made by the [agency] was ***contrary to law, it was not discretionary***”) (collecting cases, and noting that “serious constitutional problems would arise” from any other holding); see also *Estep v. United States*, 327 U.S. 114, 120-22 (1946) (contrasting erroneous decisions with decisions not in conformity with regulations, and finding that the

latter exceed boards' granted authority); *Frazar v. Gilbert*, 300 F.3d 530, 551 n.109 (5th Cir. 2002) (government officials "have no 'discretion' to violate federal law.").

Analogously, in *SCA Hygiene Prods. Aktiebolag v. First Quality Baby Prods., LLC*, the Supreme Court rejected as a matter of law any attempt to limit actions based on timing where Congress has been express about the time frame in which such actions are to take place. 580 U.S. 328, 346 (2017) ("Laches cannot be interposed as a defense against damages where the infringement occurred within the period prescribed by § 286."). The same result should apply to the Director's implication of petitioner "laches" here.

C. Mullen Had No Entitlement to "Settled Expectations" Based on Institution Denial of Apple's Prior IPR

The Decision additionally says that Mullen had "settled expectations" because the '540 patent "was the subject of an earlier proceeding in which the Board denied institution of *inter partes* review based on the merits." Again, this further purported rationale for discretionary denial violates the IPR statute, Congress's intent, and Federal Circuit law, and is beyond the bounds of the Director's discretion.

As discussed above, the Federal Circuit in *Celgene* made clear that "[f]or forty years, patent owners have also had the expectation that the PTO could *reconsider* the validity of issued patents." *Celgene*, 931 F.3d at 1362-63; *see also*

Cuozzo Speed Techs. v. Commerce for Intellectual Property, 579 U.S. 261, 279 (2016) (explaining that the “basic purpose[]” of IPR is “to **reexamine** an **earlier agency decision**”). There is no basis for finding that a decision denying institution of one petitioner’s IPR creates “settled expectations” that the patent’s claims are valid over all other prior art or that the PTO will never again reconsider or reexamine the claims’ patentability. That finding’s baselessness is especially apparent here where the denial of Apple’s prior IPR occurred only months before Mullen asserted the ’540 patent against Samsung.

When Congress wanted to give the Director discretion to deny institution of an IPR based on a previous PTO proceeding, it did so in 35 U.S.C. §325(d), which expressly limits that discretion to scenarios where “the same or substantially the same prior art or arguments previously were presented to the Office.” Mullen did not attempt to argue that the standards for §325(d) denial are met here, and the Decision did not base its denial on §325(d). Indeed, the Petition established that there is no basis for §325(d) denial, because the Petition presents an entire set of Grounds “1-5 based on Randall, which was not of record in prosecution or [Apple’s] IPR2023-00098,” and the Board never considered the art in Apple’s IPR “in combination with Darling or Futagami, which teach the features the Board found missing” and are included in this Petition’s Grounds 6-10. Paper 4 at 98; *see also* Opposition at 9-10.

The Director has no discretion to deny this IPR based on purported “settled expectations” of validity due to the Board’s prior consideration of Apple’s IPR petition, outside the statutory scope of discretion that Congress expressly tied to “substantially the same prior art or arguments” in §325(d).

III. THE DECISION’S “INEFFICIENCY” RATIONALE IS IMPROPER

The Decision says it would be “an inefficient use of Board resources to review the ’540 patent that has been dismissed from the litigation.” The Decision cites to Mullen’s discretionary denial request brief, where Mullen argued that “institution of this IPR is purposeless” because the ’540 patent “was dismissed from the district court litigation” against Samsung, and because Mullen stipulated that “should the Board deny institution of this Petition, Patent Owner agrees to not assert again in the future *against the Samsung petitioners* any claim challenged in this Petition.” Paper 10 at 10.

But the ’540 patent’s dismissal from the Samsung litigation—and Mullen’s promise not to assert the patent in the future—only provide relief to Samsung, whereas Google is also a Petitioner in this IPR. Google is not a party to the Samsung litigation, and Mullen’s promise not to sue was conspicuously not extended to Google or its customers (or, for that matter, to Samsung’s customers). Mullen’s suggestion that the ’540 patent need not be reviewed because it “is no longer in dispute” in the Samsung litigation (Paper 10 at 10), and the Decision’s

acquiescence in that suggestion, simply turn a blind eye to Google's legitimate dispute as to the patent's invalidity and Mullen's demonstrated history of serially asserting the patent against tech company after tech company.

Even as to Samsung, in addition to Google, there is no basis to deny access to IPR based on whether the patent currently is asserted against the petitioner. The IPR statute includes no requirement for standing based on assertion of the patent. It expressly allows any "person who is not the owner of a patent" to file an IPR petition. 35 U.S.C. §311(a). Congress knew well how to apply requirements and limitations specific to the petitioner also being a party in underlying litigation. *E.g.*, 35 U.S.C. §315(a) (petition barred if petitioner has already filed a civil action challenging the patent's validity); §315(b) (one-year time limit to file petition after service on petitioner of infringement complaint); §315(e)(2) (statutory estoppel in litigation on petitioner after FWD). Indeed, for covered business method (CBM) proceedings, Congress specifically provided that "[a] person may not file a petition for a [CBM proceeding] unless the person or the person's real party in interest or privy has been sued for infringement of the patent or has been charged with infringement under that patent." America Invents Act, Public Law 112-29, 125 Stat. 284, 330 (2011). But in 35 U.S.C. §311(a) governing *inter partes* review, Congress purposefully chose **not** to limit IPR petitions to only those (currently) sued for infringement, and broadly allowed any "person" other than the patent

owner to petition for IPR. *See also* 37 C.F.R. §42.101 (“A person who is not the owner of a patent may file” an IPR petition unless conditions in 35 U.S.C. §315(a), §315(b), or §315(e) exist).

The Director cannot use “discretion” to end-run around the statute and its embodiment of Congressional intent.³

Moreover, the Decision makes no attempt to square its finding of “inefficiency” for an IPR challenging a patent that is now unasserted in the litigation with the numerous recent Director discretionary decisions that have referred petitions for consideration on the merits *because* the patent is not asserted against the petitioner in litigation. *See, e.g., CSPC Pharm. Grp. Ltd. v. Ipsen Biopharm Ltd.*, IPR2025-00505, Paper 11 (July 16, 2025) (finding “discretionary denial of institution is not appropriate” where “Patent Owner and Petitioner are not engaged in a parallel litigation”); *Charles River Labs., Inc. v. Seikagaku Corp.*,

³ Congress’s intent is also further evidenced by 35 U.S.C. §317, which provides for an IPR to be “terminated” if the parties *jointly* enter into a written settlement agreement and file “a true copy of such agreement” in the Office. The Decision here frustrates Congress’s intent and disincentivizes settlement, by allowing the patent owner to unilaterally withdraw from a validly filed IPR without entering into settlement. Opposition at 6-7.

IPR2025-00440, Paper 9 (July 10, 2025) (same); *Ajinomoto Co. v. AbTis Co.*, IPR2025-00283, Paper 13 (July 2, 2025) (same).

“Discretion is not whim,” and must be “limited” according to “legal standards” to “promote the basic principle of justice that like cases should be decided alike.” *Martin v. Franklin Capital Corp.*, 546 U.S. 132, 139 (2005).

Having held in other recent cases that the absence of parallel litigation addressing the challenged patent weighs against discretionary denial, the Director should have denied Mullen’s discretionary-denial request on that same basis here.

IV. CONCLUSION

For each reason above, the Decision denying institution should be reversed.

Respectfully submitted,

Date: July 25, 2025

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CERTIFICATE OF SERVICE UNDER 37 C.F.R. § 42.6 (E)(4)

I certify that on July 25, 2025, a copy of the foregoing document, including any exhibits or appendices filed therewith, is being served via electronic mail, as previously consented to by Patent Owner, upon the following:

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