

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

Petitioners

v.

CERENCE OPERATING COMPANY,

Patent Owner

Case IPR2025-00457

U.S. Patent No. 7,680,334

PETITIONERS' REQUEST FOR DIRECTOR REVIEW OF DECISION

DENYING INSTITUTION OF *INTER PARTES* REVIEW

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PETITIONERS' EXHIBIT LIST

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1001	U.S. Patent 7,680,334 (“’334Pat.”)
1002	Declaration of Homayoon Beigi (“ <i>Beigi</i> ”)
1003	Curriculum Vitae of Homayoon Beigi
1004	File History of U.S. Patent 7,680,334
1005	U.S. Patent 5,333,209 (“ <i>Sinden</i> ”)
1006	U.S. Patent 5,315,667 (“ <i>Fujisaki</i> ”)
1007	U.S. Patent 5,926,567 (“ <i>Collins</i> ”)
1008	U.S. Patent 6,212,297 (“ <i>Sklarew</i> ”)
1009	U.S. Patent 5,303,312 (“ <i>Comerford</i> ”)
1010	U.S. Patent 5,666,438 (“ <i>Beernink</i> ’438”)
1011	U.S. Patent 5,682,439 (“ <i>Beernink</i> ’439”)
1012	U.S. Patent 5,970,170 (“ <i>Kadashevich</i> ”)
1013	European Publication No. 0254561B1 (“ <i>Sklarew</i> ’561”)
1014	U.S. Publication 2002/0082844A1 (“ <i>Van Gestel</i> ”)
1015	Charles C. Tappert et al., <i>The State of the Art in On-Line Handwriting Recognition</i> , IEEE Transactions on Pattern Analysis and Machine Intelligence, vol. 12, no. 8, pp. 787-808, 1990 (“ <i>Tappert I</i> ”)
1016	U.S. Patent 3,133,266 (“ <i>Frishkopf</i> ”)
1017	U.S. Patent 5,319,721 (“ <i>Chefalas</i> ’721”)
1018	U.S. Patent 5,710,832 (“ <i>Berman</i> ”)

Exhibit No.	DESCRIPTION
1019	U.S. Patent 5,729,629 (“ <i>Dai</i> ”)
1020	U.S. Patent 6,215,476 (“ <i>Depew</i> ”)
1021	Microsoft Computer Dictionary (5 th Ed, 2002)
1022	Charles C. Tappert et al., <i>Speed, Accuracy, and Flexibility Trade-Offs in On-Line Character Recognition</i> , 5 Int’l Journal of Pattern Recognition and Artificial Intelligence, vol. 5, nos. 1 & 2, pp. 79-95, 1991 (“ <i>Tappert 2</i> ”)
1023	Exhibit A-1 to Cerence’s Infringement Contentions regarding the ’334 Patent
1024	U.S. Patent 7,158,678 (“ <i>Nagel</i> ”)
1025	J.R. Parker, “Vector Templates and Handprinted Digit Recognition” IEEE In <i>Proceedings of the 12th IAPR International Conference on Pattern Recognition</i> , vol. 2, pp. 457-459, 1994 (“ <i>Parker</i> ”)
1026	WIPO Publication WO1998033141A1 (“ <i>Gay</i> ”)
1027	Amended Docket Control Order, <i>Cerence Operating Co. v. Samsung Electronics Co., Ltd., et al.</i> , C.A. No. 2:24-cv-00181-JRG-RSP
1028	Plaintiff Cerence Operating Company’s Disclosure of Asserted Claims and Infringement Contentions
1029	Letter from Jin-Suk Park to James S. Tsuei dated April 11, 2005
1030	Joint Motion for Third Amended Docket Control Order from <i>Cerence Operating Co. v. Samsung Electronics Co., Ltd. et al.</i> , No. 2:24-cv-00181-JRG-RSP (E.D. Tex.) (Dkt. 78)
1031	Third Amended Docket Control Order from <i>Cerence Operating Co. v. Samsung Electronics Co., Ltd. et al.</i> , No. 2:24-cv-00181-JRG-RSP (E.D. Tex.) (Dkt. 80)

Exhibit No.	DESCRIPTION
1032	Samsung Unopposed Motion to Extend Time to Answer from <i>Cerence Operating Co. v. Samsung Electronics Co., Ltd. et al.</i> , No. 2:24-cv-00181-JRG-RSP (E.D. Tex.) (Dkt. 13)
1033	Google Patents entry for U.S. Patent No. 7,680,334
1034	Order Denying Samsung’s Motion to Stay Pending <i>Inter Partes</i> Review from <i>Cerence Operating Co. v. Samsung Electronics Co., Ltd. et al.</i> , No. 2:24-cv-00181-JRG-RSP (E.D. Tex.) (Dkt. 85)
1035	United States District Courts — National Judicial Caseload Profile, as of March 31, 2025 (available at https://www.uscourts.gov/sites/default/files/document/fcms_na_distprofile0331.2025.pdf)
1036	United States District Courts — National Judicial Caseload Profile, as of December 31, 2024 (available at https://www.uscourts.gov/sites/default/files/2025-02/fcms_na_distprofile1231.2024.pdf)
1037	United States District Courts — National Judicial Caseload Profile, as of September 30, 2024 (available at https://www.uscourts.gov/sites/default/files/document/fcms_na_distprofile0930.2024.pdf)
1038	United States District Courts — National Judicial Caseload Profile, as of June 30, 2024 (available at https://www.uscourts.gov/sites/default/files/2024-11/fcms_na_distprofile0630_2024.pdf)

I. INTRODUCTION

Petitioners Samsung Electronics, Co., Ltd. and Samsung Electronics America, Inc. (collectively “Samsung”) respectfully request Director Review of the Director’s¹ August 4, 2025 Decision Granting Patent Owner’s (“PO’s”) Request for Discretionary Denial (“Decision”) (Paper 13) of the IPR petition directed to U.S. Patent No. 7,680,334 (“’334 patent”), and referral of the Petition to the panel.

It was an abuse of discretion to fail to apply the *Fintiv* factors holistically. Even as to the two *Fintiv* factors that were considered, it was an abuse of discretion to (i) apply factor one (likelihood of stay) contrary to binding precedent, and (ii) give factor two (trial date) undue weight over other factors that favored institution. Finally, it was an abuse of discretion and a violation of the IPR statute to fail to comply with the requirements of 35 U.S.C § 314(c).

¹ Acting Director Coke Morgan Stewart recused herself, and delegated her authority with respect to this matter to Acting Deputy Chief Administrative Patent Judge Kalyan K. Deshpande.

II. ARGUMENT

A. It Was An Abuse Of Discretion To Fail To Apply The *Fintiv* Factors Holistically, As Required By The Board's Binding Precedent

The Decision notes that the “projected final written decision due date in the Board proceeding is October 8, 2026” whereas “[t]he district court’s scheduled trial date is April 20, 2026.” Decision, at 2. The Decision further notes that “there is insufficient evidence that the district court is likely to stay its proceeding even if the Board were to institute trial.” *Id.* Contrary to *Fintiv*’s requirement, the Decision fails to address any other *Fintiv* factors, much less explain why these two factors justify denial of institution when considered holistically with all other factors. Thus, the Decision abused discretion by failing to adhere to *Fintiv*’s requirement to “take[] a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.”² *Apple, Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, at 6 (PTAB Mar. 20, 2020) (precedential). Moreover, the Decision weighs these

² Although the Decision states it is “based on a holistic assessment of all of the evidence and arguments presented,” it does not discuss any of the other *Fintiv* factors, nor does it explain how denial is reasonable in view of factors 3, 4 and 6 weighing against or strongly against denial.

two factors inconsistent with the Board’s binding precedent and how the Board has historically applied them.

1. Under The Board’s Binding Precedent, It Was An Abuse Of Discretion To Find “Insufficient Evidence That The District Court Is Likely To Stay Its Proceeding”

The Decision’s observation that “there is insufficient evidence that the district court is likely to stay its proceeding even if the Board were to institute trial” is contrary to the Board’s binding precedent. *Fintiv* directs that where the denial of a motion to stay is without prejudice and indicates that the court will consider a renewed motion to stay if PTAB trial is instituted, “[t]his fact has usually *weighed against* exercising authority to deny institution.”³ *Fintiv*, IPR2020-00019, Paper 11, at 6-7. Although the district court has denied Samsung’s pre-institution motion to stay, the order does not state that it is with prejudice. Ex-1034, at 1. Indeed, *Trover Grp., Inc. v. Dedicated Micros USA*—which the Order cites as evidence of the court’s “universal practice ... to deny a motion for stay when the Patent Trial and Appeal Board has not yet acted on a petition for inter partes review”—denied the pre-institution motion without prejudice.” No. 2:13-cv-1047-WCB, 2015 WL 1069179, at *6 (E.D. Tex. Mar. 11, 2015). Moreover, the cases in which the Eastern District of Texas denies a pre-institution motion to stay without prejudice are legion.

³ All emphases added unless otherwise noted.

See, e.g., Luminati Networks Ltd. v. Teso LT, UAB, No. 2:19-CV-00395-JRG, 2020 WL 6803255, at *2 (E.D. Tex. Oct. 30, 2020) (“the Motion is denied without prejudice to refiling ... following the PTAB’s institution decision”); *Nanoco Techs. Ltd. v. Samsung Elecs. Co.*, No. 2:20-CV-00038-JRG, 2021 WL 3027335, at *2 (E.D. Tex. Jan. 8, 2021) (same); *Huawei Techs. Co. v. Verizon Commc’ns, Inc.*, No. 2:20-CV-00030-JRG, 2020 WL 7134088, at *2 (E.D. Tex. Nov. 10, 2020) (same). Accordingly, the court’s order in the parallel district court case should be understood to be without prejudice to Samsung’s ability to renew the motion after the decision on institution. Thus, under the Board’s binding precedent, this factor should have weighed against denying institution, instead of serving as a primary basis for doing so.

2. It Was An Abuse Of Discretion To Deny Institution Because Of A Mere Four And A Half Months Difference Between The Likely Trial Date And FWD When Other *Fintiv* Factors Favor Institution

It was also contrary to the Board’s historical practice and an abuse of discretion to deny institution because the district court’s likely trial date was a mere four and a half months prior to the final written decision due date. Decision, at 2.

As an initial matter, the Decision compares the currently set trial date of April 20, 2026 to the projected final written decision deadline of October 8, 2026. *Id.* The Decision, however, ignores that the latest statistics indicate the median time to trial

in the Eastern District of Texas is 25.9 months (Ex-1035, at 35), which means that trial is actually more likely to occur mid-May 2026, approximately four and a half months before the projected final written decision date. It was contrary to the Board's historical practice and an abuse of discretion to deny institution because there are ample examples of the Board instituting trial despite an approximately four month or even longer difference between these dates. *See, e.g., Equipmentsshare.com Inc. v. Ahern Rentals, Inc.*, IPR2021-00834, Paper 19, at 11-13 (PTAB Nov. 16, 2021) (IPR instituted with seven months between trial and expected FWD); *Google LLC, et al. v. Multimodal Media LLC*, IPR2024-00056, Paper 9, at 8 (PTAB Apr. 12, 2024) (IPR instituted with approximately six months between trial and expected FWD); *NetNut Ltd. v. Bright Data Ltd.*, IPR2021-01492, Paper 12, at 9-16 (PTAB Mar. 21, 2022) (same); *Facebook Inc. v. USC IP P'Ship*, IPR2021-00034, Paper 13, at 11 (PTAB Apr. 30, 2021) (IPR instituted with five months between trial and expected FWD); *Coolit Sys., Inc. v. Asetek Danmark A/S*, IPR2021-01195, Paper 10, at 11 (PTAB Dec. 28, 2021) (same); *Zynga, Inc. v. IGT*, IPR2022-00199, Paper 11, at 14 (PTAB June 14, 2022) (IPR instituted with four months between trial and expected FWD); *Samsung Elecs. Co. v. CardWare Inc.*, IPR2023-00211, Paper 13, at 10 (PTAB June 13, 2023) (same); *Nokia of Am. Corp. v. IPCOM, GmbH & Co., KG*, IPR2021-00533, Paper 10, at 9 (PTAB Aug. 12, 2021) (same); *Cellco P'ship v.*

Huawei Device Co., IPR2020-01117, Paper 10, at 18-20 (PTAB Feb. 3, 2021) (same).

Samsung also provided ample evidence that the trial date was subject to change, including because the parties had recently jointly requested and received a nearly four-months extension of the trial date and may do so again, and because the district court had eleven trials scheduled for the same day.⁴ Paper 11, at 2-4. Moreover, the statistics show that the average time to trial in the Eastern District of Texas has been steadily increasing over the last year. *See* Ex-1035, at 35 (25.9 months in 03/31/2025); Ex-1036, at 35 (23.0 months in 12/31/2024); Ex-1037, at 35 (21.9 months in 09/30/2024); Ex-1038, at 35 (21.6 months in 06/30/2024).

Had the Decision engaged with the totality of the *Fintiv* factors, the only reasonable conclusion would have been that the Director should not have exercised discretion to deny institution. For example, as to factor 4 (issue overlap), Samsung provided a *Sotera+* stipulation in which it stipulated that, if the IPR is instituted, not only “Samsung will not pursue in the above-captioned litigation ... any grounds that were raised or reasonably could have been raised in the IPR,” but that “Samsung will [also] not pursue in the above-captioned litigation ... combinations of the prior

⁴ As of when this request is being filed, the trial court has nine trials scheduled for the same day.

art asserted in this IPR with unpublished system prior art.” Paper 11, at 9-10. Thus, Samsung had provided the type of stipulation that allays concerns about overlap between the IPR and district court litigation and weighs strongly against discretionary denial. *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12, at 19 (PTAB Dec. 1, 2020) (this type of stipulation “***weighs strongly in favor of not exercising discretion***” to deny institution) (precedential); *see also Motorola Sols., Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19, at 3 (PTAB Mar. 28, 2025) (stating that such a stipulation would ensure that the IPR is a “true alternative” to the district court proceeding).

As to factor 3 (parallel proceeding), Samsung provided evidence that significant work remained in the district court case, including that none of the claim construction hearing, claim construction decision, close of fact discovery, expert discovery, dispositive and *Daubert* motions, pretrial conference and trial would have occurred prior to the institution decision. Paper 11, at 4-7. As explained in the Opposition, the Board’s binding precedent, and historical practice, have found this factor under similar circumstances to weigh against denying institution. *Id.*, at 5; *see also SNAP, Inc. v. SRK Tech. LLC*, IPR2020-00820, Paper 15, at 10-11 (PTAB Oct. 21, 2020) (precedential) (finding factor weighs against institution when no claim construction has issued and no significant discovery had been completed); *Juniper Networks, Inc. v. Packet Intel. LLC*, IPR2020-00336, Paper 21, at 18 (PTAB Sep.

10, 2020) (“the investment of time and effort that remains to bring the co-pending litigations to trial appears to far outweigh that which has already been invested” when discovery is not yet complete and district court has not issued a decision on claim construction); *Samsung Elecs. Co. v. Headwater Rsch. LLC*, IPR2024-01396, Paper 13, at 7 (PTAB Apr. 1, 2025) (finding the fact that “claim construction proceedings will not have completed and the district court will not have issued any substantive orders” by the time of the institution decision “weighs against denial” despite “the parties [] likely [having] done some work”); *Mobileye Glob., Inc. v. Facet Tech. Corp.*, IPR2024-01110, Paper 16, at 12-13 (PTAB Mar. 5, 2025) (weighing against denial and instituting in absence of claim construction and other substantive orders from district court).

Fintiv factor 6 also weighs against discretionary denial where the Petition raised compelling grounds of unpatentability and PO presented no substantive arguments in its Request detracting from the strength of the presented grounds. Paper 11, at 14-15. Nor does the Decision suggest that the grounds are not compelling or call them into question in any way. Finally, factor 5 should be viewed as neutral for the reasons discussed in the Opposition. *Id.*, at 13-14.

In summary, had the Decision weighed the *Fintiv* factors holistically as required, instead of focusing on only two of them, the only reasonable conclusion would have been to not exercise discretion to deny institution. By the time of

institution, the district court will not have issued any substantive orders regarding the '334 patent, and all significant milestones in the case—including *Markman* order, end of fact discovery, expert discovery, summary judgment and *Daubert* motions, pretrial conference, and trial—are scheduled to occur after institution. Additionally, Samsung's stipulation—which actually goes beyond what is even required by *Sotera*—ensures that all issues within the statutory purview of the Office will be decided by the Board and strongly weighs against exercising discretion to deny institution. Moreover, the Petition challenges more claims than are at issue in the parallel litigation. Institution is also merited because the Petition presents compelling grounds of unpatentability. By contrast, none of factors 1 (at worst neutral), 2 (slightly for denying institution), and 5 (neutral)—whether considered alone or together—are sufficient to overcome the strong reasons against denying institution.

B. It Was An Abuse Of Discretion To Fail To Comply With 35 U.S.C. § 314(c)

An IPR may not be instituted “unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a). Section 314(c) further requires that “[t]he Director *shall* notify the

petitioner and patent owner, *in writing*, of the Director’s *determination under subsection (a)*.” The use of the word “shall” means that the requirement set out in § 314(c) is mandatory and cannot be ignored by discretion. *See U.S. ex rel. Siegel v. Thoman*, 156 U.S. 353, 360 (1895) (“In the first the word ‘shall,’ and in the latter provision the word ‘may,’ is used, indicating command in the one and permission in the other.”)

The Decision fails to comply with the Director’s statutory obligation as set out in § 314(c). Samsung is entitled to, and the Director must provide, a *written* decision setting out the Director’s determination whether the Petition “shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” 35 U.S.C. § 314(a), (c).⁵

III. CONCLUSION

For the foregoing reasons, Samsung respectfully requests that the Director withdraw the Decision and refer the matter to a panel for consideration of the grounds presented. In the alternative, Samsung respectfully requests that the Director issue a decision that complies with 35 U.S.C. § 314(c).

⁵ Samsung does not waive any arguments in its Opposition not specifically raised here, including in § IV and n. 13 of its Opposition. *See Voice Tech Corp. v. Unified Patents, LLC*, 110 F.4th 1331, 1339-41 (Fed. Cir. 2024).

Date: September 3, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that on September 3, 2025, I caused a true and correct copy of the foregoing Petitioners' Request for Director Review of Decision Denying Institution of *Inter Partes* Review to be served via electronic mail in its entirety on the following:

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