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 IPR2025-00459
U.S. Patent No. 8,825,486

PATENT OWNER'S RESPONSE TO PETITIONERS' REQUEST FOR DIRECTOR REVIEW

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Interim Processes for PTAB Workload Management (P.T.A.B. Mar. 26, 2025),
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PATENT OWNER'S EXHIBIT LIST

No.	Description
2001	Docket Navigator Stay Statistics
2002	March 28, 2025, 2nd Amended DCO
2003	Docket Navigator Median Time-to-Trial Statistics
2004	Samsung's September 9, 2024, Invalidity Contentions
2005	Expert declaration of Eric Koskinen ("Koskinen Decl.")
2006	Koskinen CV
2007	Adam Rogowski, *Scenario-Based Programming of Voice-Controlled Medical Robotic Systems*, Sensors 2022, 9520 (December 6, 2022)) ("we cannot always assume that the operator utters only the commands contained in the defined sublanguage.").
2008	Patel and Campellone, *Acoustic and Perceptual Cues to Contrastive Stress in Dysarthria*, Journal of Speech, Language, and Hearing Research, Volume 52, Number 1, Pages 206-222 (February 2009), available at https://doi.org/10.1044/1092-4388(2008/07-0078)).
2009	Fred Dretske (*Contrastive Statements*, The Philosophical Review, Volume. 81, Number 4, Pages 411-437 (October 1979)
2010	Steven E Boer, *Meaning and Contrastive Stress*, The Philosophical Review, Volume. 88, Number 2, Pages 263-298 (April 1979)).
2011	District Court Infringement Contentions

I. INTRODUCTION

Petitioners' Request for Director Review should be denied. The Director acted within its authority in denying institution, and Petitioners' arguments amount to nothing more than a disagreement with the result. Reversing this decision and moving forward with the IPR would be improper and a waste of the Board's resources.

II. ARGUMENT

Requests for Director Review of a Board decision on institution "shall be limited to decisions presenting (a) an abuse of discretion, (b) important issues of law or policy, (c) erroneous findings of material fact, or (d) erroneous conclusions of law." Director Review Process (available at https://www.uspto.gov/patents/ptab/decisions/director-review-process) (updated July 15, 2025). Here, Petitioners have not met the burden of showing an abuse of discretion or any other grounds for Director Review to apply here. Instead, Petitioners merely re-argue the same points that the Board already considered and rejected when considering Patent Owner's request for Discretionary Denial.

A. The Board Correctly Applied *Fintiv* and Found the Factors Weighed In Favor of Denial

Petitioners do not provide any persuasive reasoning on why this IPR is an appropriate use of the Board's resources. Petitioners' argument that the Board

abused discretion by failing to apply the *Fintiv* factors holistically is nothing more than a disagreement with the overall result, and should be rejected accordingly.

The Discretionary Denial Decision (the "Decision") considered all arguments and the records, and reached its conclusion "based on the totality of the evidence and arguments the parties have presented." *Samsung Electronics Co., Ltd. and Samsung Electronics America, Inc. v. Cerence Operating Company*, IPR2025-00458, -00459, -00460, Paper 14 (P.T.A.B. June 25, 2025) (the "Decision"). Contrary to Petitioners' assertion that Decision somehow did not consider all *Fintiv* factors (IPR2025-00459, Paper 15 (Request) at 2), the Decision explicitly states "[a]lthough certain arguments are highlighted above, the determination to exercise discretion to deny institution is based on a holistic assessment of all the evidence and arguments presented." Decision at 2.[1] There was no error in the Board's reasoning or its exercise of discretion.

Importantly, Petitioners do not dispute that: 1) the Final Written Decision ("FWD") would not issue until after the trial in the district court; 2) there was no stay granted in the district court litigation; 3) Courts in the Eastern District of Texas routinely deny a request to stay before institution and the Court has denied Samsung's request to stay; and 4) the patent has been published and in force for 11

[1] Petitioner provided no legal authority to support its position that the Decision is required to specifically discuss each and every factor of *Fintiv*. Request at 2.

years. All of these would weigh in favor of denying institution under the Patent Office's "holistic assessment". Additionally, as discussed in Patent Owner's request for discretionary denial, and contrary to Petitioners' arguments, each of the *Fintiv* Factors weighs in favor of discretionary denial.

***Fintiv* Factor 1** favors discretionary denial because there was no stay granted, and Judge Payne in the Eastern District of Texas actually denied Samsung's motion to stay on the same day as this Response. *Credence Operating Company v. Samsung Electronics Co., Ltd. and Samsung Electronics America, Inc.*, 2:24-cv-00181-JRG-RSP, Dkt. No. 85 (E.D. Tex. Aug. 4, 2025). Thus, Petitioners' argument relying on their motion being pending is now moot. Request at 3-4.

Petitioners' argument regarding the potential for filing a renewed motion to stay post-institution (Request at 4) is not relevant here. The institution has been denied. No other motion to stay has been filed. While Petitioners seem to assume that an order denying the stay is without prejudice (Request at 4), the Court did not actually hold this way. *Credence Operating Company v. Samsung Electronics Co., Ltd. and Samsung Electronics America, Inc.*, 2:24-cv-00181-JRG-RSP, Dkt. No. 85 (E.D. Tex. Aug. 4, 2025) (The Court held that "[a]ccordingly, the motion is DENIED" and did not state that the denial is without prejudice.). Nor do Petitioners demonstrate that another request to stay will be granted if filed after institution. Petitioners' focus on the selected sample of the five granted motions to stay is

misleading because the vast majority of such motions (i.e., sixty-five (65) of them) have been denied. Paper 10 (PO Discretionary Denial Br.) at 4-5. Thus, the Board was presented with ample evidence that the Court will most certainly deny Petitioners' motion to stay, based on its precedent and the statistics, even if another motion were to be filed later. *Id*.

Fintiv* Factor 2** strongly favors discretionary denial because the FWD will still be about four (4) months after the trial in the district court litigation. In situations where the underlying litigation is in the Eastern District of Texas and the projected trial date is before the date of FWD, the Director has ***repeatedly found that this Factor weighs in favor of denying institution – *even with a shorter gap between the trial date and the date of FWD*. *See, e.g.*, *EClinicalWorks, LLC v. Decapolis LLC*, IPR2022-00229, Paper 10 at 9 (PTAB Apr. 13, 2022) (finding this Factor weighed in favor of discretionary denial and denying institution where "the beginning of the jury trial in the WDTX Cases is roughly ***one or two months*** before any final decision would have been due had *inter partes* review been instituted"); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 13 (PTAB May 13, 2020) (informative) (finding this Factor weighed in favor of discretionary denial and denying institution where the district court trial was scheduled to occur ***two months*** before the deadline for the Board to reach a final written decision); *Samsung Elecs. Co. v. Secure Wi-Fi LLC*, No. IPR2024-01367, Paper 10 at 12-13 (P.T.A.B. Mar. 24, 2025) (finding that Factor

2 weighed heavily in favor of denial and recognizing Judge Gilstrap's time-to-trial statistics as lending credibility to scheduled trial date, which was set to occur five months before final written decision deadline).

Petitioners' cited cases are also inapposite; indeed, they ***confirm*** that Factor 2 weighs in favor of denying institution. *See, e.g.*, Request at 5-6 (*citing Zynga Inc. v. IGT*, IPR2022-00199, Paper 11 at 14 (P.T.A.B. Jun. 14, 2022)); *Samsung Elecs. Co. v. Cardware Inc.*, IPR2023-00211, Paper 13 at 10 (P.T.A.B. Jun. 13, 2023); *Nokia of Am. Corp. v. IPCOM, Gmbh & Co.*, *KG*,IPR2021-00533, Paper 10 at 9 (P.T.A.B. Aug. 12, 2021); *Cellco P'ship v. Huawei Device Co.*, IPR2020-01117, Paper 10 at 18-20 (P.T.A.B. Feb. 3, 2021)). For example, *Zynga* acknowledges that "if the district court's trial date is earlier than our projected statutory deadline for a final written decision, the Board usually has weighed this fact in favor of exercising authority to deny institution under *NHK*." *Zynga Inc.*, IPR2022-00199, Paper 11 at 13-14. Similarly, the Board in *Samsung*, *Nokia*, and *Cellco* all found that Factor 2 weighs in favor of discretionary denial when the trial date is four months before FWD. *Samsung Elecs. Co.*, IPR2023-00211, Paper 13 at 9-10; *Nokia of Am. Corp.*, IPR2021-00533, Paper 10 at 9; *Cellco P'ship*, IPR2020-01117, Paper 10 at 19-20. Moreover, Petitioners' reliance on *Tesla* is misplaced. Request at 6. That decision does not have any substantial analysis and instead refers to IPR2025-00217, which granted institution based on other reasons, e.g., because a large number of patents

were asserted in the district court, and the ancestor patents had been found unpatentable in multiple prior proceedings. *Tesla, Inc. v. Intell. Ventures II LLC*, IPR2025-00340 at Paper 10 (P.T.A.B Jul. 2, 2025), *citing Tesla, Inc. v. Intell. Ventures II LLC*, IPR2025-00217 (P.T.A.B. Jun. 13, 2025).

Petitioners also argue that there are multiple trials scheduled on the same day, and thus the current trial date is unlikely to move forward (Request at 5) – but Petitioners' argument does not change the balance of this Factor. The median time-to-trial in the Eastern District of Texas is 23 months, which the Petitioners do not dispute. Paper 10 (PO Discretionary Denial Br.) at 6. Even with multiple trials scheduled on the same day, the median time-to-trial statistics still indicate that the trial will occur months before the FWD.

The rest of Petitioners' arguments are a rehash of arguments on the other *Fintiv* factors in Petitioners' opposition to the Discretionary Denial Brief. *See* Request at 6-9. But these other factors also favor discretionary denial and do not alter the balance as discussed in Patent Owner's request for discretionary denial, and as discussed further below. *See*, Paper 10 (PO Discretionary Denial Br.) at 7-15.

***Fintiv* Factor 3** weighs in favor of denying the Petition because the parties have already invested substantially in the district court litigation, and further because Petitioners did not file the Petition expeditiously. *See Global Tel*Link Corp. v. HLFIP Holding, Inc.*, No. IPR2021-00444, Paper 14 at 22-23 (P.T.A.B. Jul. 22,

2021) (lack of diligence in filing the Petition, where IPRs filed four days before the statutory deadline weighs Factor 3 strongly in favor of denial). Here, the Petition was filed close to the statutory deadline, ten months after the Patent Owner initiated the litigation, and six months after the infringement contentions were served. This delay in filing the Petition has contributed to the parties' substantial investment in the district court litigation. Moreover, Petitioners failed to explain this delay, which favors denial. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 11-12 (Mar. 20, 2020) (*precedential*) ("[T]he parties should explain facts relevant to timing" and "if petitioner cannot explain the delay in filing its petition, [this fact has] favored denial.").

***Fintiv* Factor 4** also favors discretionary denial. Petitioners' *Sotera* stipulation is not a true alternative to the district court litigation. The Director's recent decision in *Motorola Solutions, Inc. v. Stellar, LLC* emphasized the non-dispositive nature of a *Sotera*-stipulation. *Motorola Solutions, Inc. v. Stellar, LLC*, IPR2024-01205, -01206, -01207, -01208, Paper 19 (P.T.A.B. Mar. 28, 2025). Here, Petitioners presented significantly more expansive prior art and invalidity grounds in the district court than the Petition, including system art, and further including a reservation of rights to raise additional, unidentified art, which Petitioners' carefully worded stipulation does not exclude. And as discussed in Patent Owner's request for

discretionary denial. Petitioners' stipulation still permits repeated challenges to the same patent by the same defendant, in multiple venues, such as through re-exam.

In short, the most efficient path forward is to have the district court resolve all invalidity issues because the validity issues presented before the district court are much more expansive, and the district court will decide all of them months prior to any FWD. Allowing multiple subsequent parallel validity challenges to the same patent is a waste of Board's, the district court's, and the parties' resources. Moreover, allowing these multiple subsequent parallel validity challenges to the same patent also raises the likelihood of potential inconsistencies between the district court and the Board. *See* Paper 10 (PO Discretionary Denial Br.) at 12-13.

***Fintiv* Factors 5 and 6:** Petitioners do not dispute factor 5 and did not provide a meaningful rebuttal for Factor 6. These factors are also in favor of discretionary denial for reasons discussed in Patent Owner's Discretionary Denial Brief. *See* Paper 10 (PO Discretionary Denial Br.) at 13-15.

B. "Settled Expectation" Favors Denying Institution

Contrary to Petitioners' arguments, "Settled Expectations" also favors denying institution. Here, once again, Petitioners' Request did not raise any errors in law or facts. Rather, Petitioners' Request merely rehashes the arguments previously presented in the opposition to Patent Owner's discretionary denial brief and disagrees with the Board's result. The Request does not dispute that the patent

has been issued for 11 years, and that the patent remains valid –a key factor in favor of denying institution. Instead, Petitioners' Request raises a number of irrelevant arguments.

First, contrary to Petitioners' arguments (Request at 9-11), Patent Owner is not required to establish commercialization, actual notice of the patent, or Samsung's actual knowledge, to establish the settled expectation. *Dabico Airport Solutions Inc., v. AXA Power APS*, IPR2025-00408, Paper 21 at 3 (P.T.A.B. June 18, 2025) ("actual notice of a patent or of possible infringement is not necessary to create settled expectations.").

Second, Petitioners are incorrect that there is no evidence of settled expectation or that Patent Owner somehow failed to establish settled expectation. Request at 10-11. The USPTO's Process Memo explicitly states Patent Owner is allowed to discuss the "[s]ettled expectations of the parties, such as the length of time the claims have been in force."[2] As the Board has previously held, "[a]lthough there is no bright-line rule on when expectations become settled, in general, the longer the patent has been in force, the more settled expectations should be." *Dabico*, IPR2025-00480, Paper 21 at 3 (further noting that the statutory time limit for damages is 6 years). Here, the Patent Owner demonstrated that the patent at issue

[2] Interim Processes for PTAB Workload Management (available at https://www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf) (March 26, 2025).

has been in force for 11 years and has stayed valid, a point that Petitioners do not and cannot dispute. This long period of validity *which is years beyond the statutory damages period of 6 years* strongly favors a finding of settled expectations. Nor did Petitioners present any evidence that would change this balance.

Petitioners' final argument regarding the statute of limitations for filing an IPR under 35 U.S.C. § 315(c) is also irrelevant. Request at 11-12. As discussed above, the Board applied a holistic analysis and found that the age of the patent, among other factors, favors discretionary denials. Petitioners did not raise any meaningful evidence or rebuttal to the settled expectation factor. Thus, the Board did not err in discretionarily denying institution.

C. Petitioners' Argument on 35 U.S.C. § 314(c) Misapplies the Law and Does Not Warrant a Reversal

Petitioners' argument regarding compliance with § 314(c) also lacks merit and is once again merely a repeat of its failed opposition to Patent Owner's request for discretionary denial. But as discussed above, once again, merely disagreeing with the Decision is not a ground for the Director's review.

Moreover, Petitioners misapprehend the relevant statute. Specifically, § 314(c) states that "[t]he Director shall notify the petitioner and patent owner, in writing, of the Director's determination under subsection (a), and shall make such notice available to the public as soon as is practicable." 35 U.S.C. § 314(c) . Here,

the Board complied with this section by issuing a written decision denying institution (*i.e.*, Paper 14).

Additionally, the Board can exercise its discretion to deny the Petition under § 314(a). *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5-6 (P.T.A.B. Mar. 20, 2020) (*precedential*). Under the established Board precedent, the merit of the Petition is only one of the six factors to be considered. *Id* (listing the six factors). And the Board does not have to decide the merits to deny institution. *See, e.g.*, *NXP USA, Inc. v. Impinj, Inc.*, No. PGR2022-00005, Paper 18 at 12-13 (P.T.A.B. May 2, 2022) (the Board "need not decide whether the merits of Petitioners' asserted grounds are particularly strong because it would not impact [their] ultimate determination" since the facts weighing in favor of discretionary denial based on the other factors collectively outweigh the merits.).

III. CONCLUSION

For the foregoing reasons, Petitioner's Request for Director Review should be denied.

Date: August 4, 2025

Respectfully submitted,

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CERTIFICATE OF WORD COUNT

I certify that there are 2,506 words in this paper, excluding the portions exempted under 37 C.F.R. § 42.24(a)(1), according to the word count tool in Microsoft Word.

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CERTIFICATE OF SERVICE (37 C.F.R. § 42.6(e)(1))

The undersigned hereby certifies that the above document was served on August 4, 2025, by filing this document through the P-TACTS system as well as delivering a copy via electronic mail upon the following attorneys of record for the Petitioners:

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