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 IPR2025-00460

U.S. Patent No. 8,914,291

PETITIONERS' REQUEST FOR DIRECTOR REVIEW OF DECISION DENYING INSTITUTION OF *INTER PARTES* REVIEW

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I. INTRODUCTION

Petitioners Samsung Electronics, Co., Ltd. and Samsung Electronics America, Inc. (collectively "Samsung") respectfully request Director Review of the Director's[1] June 25, 2025 Decision Granting Patent Owner's ("PO's") Request for Discretionary Denial ("Decision") (Paper 14) of the IPR petition directed to U.S. Patent 8,914,291 ("'291 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. It was also an abuse of discretion to rely on PO's alleged settled expectations when there is no evidence in the record of such expectations. For example, there is no evidence in the record that Samsung was aware of the '291 patent prior to when PO filed the parallel district court case, that the '291 patent was practiced or that any product in the marketplace was marked with the '291 patent since its issuance, or that PO provided actual notice of the '291 patent to any third parties relative to when the

[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.

patent issued. 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).

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 proceedings is August 27, 2026" whereas "the district court's schedule trial date is April 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

[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.

11, at 6 (PTAB Mar. 20, 2020) (precedential). Moreover, the decision weighs these 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 proceedings even if the Board were to institute trial" is contrary to the Board's binding precedent, and contradicted by the record. Samsung's motion to stay the parallel district court litigation remains pending. Under the Board's still precedential *Sotera* decision, this factor at worst should have been considered neutral in the *Fintiv* analysis, instead of serving as a primary basis for denying institution as was done here. *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12, at 14 (PTAB Dec. 1, 2020) ("Because the District Court has not ruled on the pending motion to stay, we determine that this factor does not weigh for or against denying institution in this case.") (precedential as to §II.A); *see also Sand Revolution II, LLC v. Cont'l Intermodal Grp.-Trucking LLC*, IPR2019-01393, Paper 24 at 7 (PTAB Jun. 16, 2020) (informative) ("we will not attempt to predict how the district court in the related district court litigation will proceed because the court may determine whether or not to stay any individual case,

including the related one, based on a variety of circumstances and facts beyond our control and to which the Board is not privy").

Moreover, in its Opposition to Request for Discretionary Denial of Institution ("Opposition"), Samsung provided evidence that even if the motion is denied, it is Judge Gilstrap's routine practice to do so without prejudice to the defendant's ability to renew the motion after the Board's institution decision. Paper 12, at 2 (citing cases as examples evidencing Judge Gilstrap's routine practice). Samsung also provided five examples since 2023 in which Judge Gilstrap granted contested motions to stay in circumstances when all asserted claims of all asserted patents were challenged in the instituted IPRs. Paper 12, at 2-3. *Fintiv* directs that where, as here, there is evidence that any denial of a motion to stay would be 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.

Thus, under the Board's binding authority, *Fintiv* factor 1 should have weighed against denying institution or, at worst, been deemed neutral. It was, therefore, an abuse of discretion to base denial of institution on alleged "insufficient

[3] All emphases added unless otherwise noted.

evidence that the district court is likely to stay its proceeding even if the Board were to institute trial." Decision, at 2.

2. It Was An Abuse Of Discretion To Deny Institution Because Of Mere Four Months Difference Between The 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 trial start date was a mere four months prior to the final written decision due date. Decision, at 2. Samsung 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 12, at 4-6.

Even if the trial date were not further modified, however, there are ample examples of the Board instituting trial despite such a difference. *See, e.g.*, *Zynga, Inc. v. IGT*, IPR2022-00199, Paper 11, at 14 (PTAB Jun. 14, 2022), *Samsung Elecs. Co. v. CardWare Inc.*, IPR2023-00211, Paper 13, at 10 (PTAB Jun. 13, 2023), *Nokia of Am. Corp. v. IPCOM, GmbH & Co., KG*, IPR2021-00533, Paper 10, at 9 (PTAB Aug. 12, 2021), *Cellco P'ship v. Huawei Device Co.*, IPR2020-01117, Paper 10, at

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

18-20 (PTAB Feb. 3, 2021). Indeed, even as recently as three weeks ago, the Director declined to exercise discretion to deny institution and referred the petition to the panel despite the fact that the district court trial was scheduled for three months before the FWD due date. *See Tesla, Inc. v. Intell. Ventures II LLC*, IPR2025-00340, Paper 10 (PTAB July 2, 2025) (denying request to discretionarily deny); *see also id.*, Paper 9, at 10 (noting "[t]rial is currently set for … three months before the projected due date for the [FWD]").

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 art asserted in this IPR with unpublished system prior art." Paper 12, at 11-12. 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 12, at 7-9. 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. Paper 12, at 8; *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 Network, 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 12, at 16-17. Nor does the Decision suggest that the grounds are not compelling or call them into question in any way. Finally, factor five should be viewed as neutral for the reasons discussed in the Opposition. Paper 12, at 16.

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 '291 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 Find "Settled Expectations" On the Evidence Presented

The Decision notes that the challenged patents issued over 11 years ago without explaining why this alone would create settled expectations in PO. Decision, at 2. Since then, the Director has clarified that 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," those facts "weigh against [PO's] claim of settled expectations." *Intel Corp. v. Proxense LLC*, IPR2025-00327, Paper 12, at 2-3 (PTAB Jun. 26, 2025).

Other than noting the "age" of the patent, PO provided no evidence in its Request that the '291 patent is practiced or that any product in the marketplace was marked with the '291 patent since its issuance. PO also provided no evidence that it gave actual notice of the '291 patent's existence to any third parties, and Samsung

itself had no notice of the ’291 patent until PO filed the parallel district court litigation. In sum, there is no reason to believe that there was widespread or general awareness of the ’291 patent or its relevance to any products in the market such that the absence of any challenges to its validity since it issued could be reasonably used to create a “settled expectation.”

Moreover, PO was the party who had the burden to come forward with such evidence. First, the America Invents Act (“AIA”) places no affirmative burden on petitioners to come forward with reasons why IPR should be instituted other than as set out in 35 U.S.C. §§ 311-312. Second, where, as here, there is no evidence of settled expectations, petitioners should not be expected to have to prove a negative. Finally, the Director’s guidance is clear that the decision on discretionary denial is based on evidence and arguments put forward by PO. *See* USPTO, *Interim Processes for PTAB Workload Management*, at 2 (Mar. 26, 2025) (“patent owner may file a brief explaining any applicable bases for discretionary denial of institution”) (“Process Memorandum”); USPTO, *FAQs for Interim Processes for PTAB Workload Management* (“FAQs”),[5] FAQ#22 (“If a patent owner wishes to raise any applicable bases for discretionary denial, it ***must do so in a discretionary denial***

[5] Available at https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management.

brief.”); *see also Twitch Interactive, Inc. v. Razdog Holdings LLC*, IPR2025-00307, Paper 18, at 3 (PTAB May 16, 2025) (not relying on PO’s assertion of settled expectations because “none of these allegations are sufficiently explained”). Indeed, in the absence of a “request” by a patent owner, the Director will not even consider discretionary denial. FAQs at FAQ#9 (“If a patent owner chooses not to file a discretionary denial brief, the Director will not issue a decision on discretionary considerations.”).

Further, the Process Memorandum refers to the “[s]ettled expectations of the *parties*.” Process Memorandum, at 2. Here, Samsung has no settled expectation with respect to the patent because it did not even know of the ’291 patent before PO filed the parallel litigation and, to Samsung’s knowledge, the ’291 patent has never been asserted in any other litigation and its validity has not previously been tested.

The Decision also abuses discretion in using “settled expectations” as a factor at all because it contradicts Congress’s express statutory requirements for which patents may be challenged by IPR and the timing of filing such challenges. In the AIA, Congress explicitly identified that “[t]he limit on challenging patents issued before 1999 in inter partes reexamination is eliminated; all patents can be challenged in inter partes review.” H.R. Rep. No. 112-98, at 47. There is nothing in the statute about patents older than a certain “age” not being subject to review. The limitations on timing are also clear: a petitioner only needs to wait for the later of nine months

after the grant of a patent or termination of a post-grant review (35 U.S.C. § 311(c)), and file within one year of service of a complaint for patent infringement (35 U.S.C. § 315(b)).

Accordingly, even if "settled expectations" was an appropriate consideration in exercising discretion, there is nothing in the record that supports such a finding and it was an abuse of discretion to so find.

C. 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).[6]

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).

Date: July 25, 2025

Respectfully submitted,

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[6] Samsung does not waive any arguments in its Opposition not specifically raised here, including in § IV and n. 15 of its Opposition. *See Voice Tech Corp. v. Unified Patents, LLC*, 110 F.4th 1331, 1339-41 (Fed. Cir. 2024).

CERTIFICATE OF SERVICE

I certify that on July 25, 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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