

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

Petitioners

v.

FOUR BATONS WIRELESS, LLC,

Patent Owner

Case IPR2025-00494

U.S. Patent No. 8,073,436

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

TABLE OF CONTENTS

TABLE OF AUTHORITIES	ii
PETITIONERS’ EXHIBIT LIST	v
I. INTRODUCTION	1
II. BACKGROUND	2
III. ARGUMENT.....	3
A. Rescission of the Vidal Memo Violates the Due Process Clause	4
B. Rescission of the Vidal Memo Violates the APA.....	6
C. It Was A Violation Of The APA And An Abuse Of Discretion To Fail To Apply The <i>Fintiv</i> Factors Holistically, As Required By The Board’s Binding Precedent.....	8
1. The Decision’s Finding of Regarding Likelihood Of Stay Contradicts Binding Board Precedent.....	8
2. The Decision Misapprehended The Likely Trial Date, And The Board Has Routinely Instituted With A Mere Three Month Difference Between The Trial Date And FWD	9
3. The <i>Fintiv</i> Factors As A Whole Favor Institution	10
D. The Decision’s Reliance On “Settled Expectations” Is Factually Unfounded And An Abuse Of Discretion.....	12
E. It Was An Abuse Of Discretion To Fail To Comply With 35 U.S.C. § 314(c).....	14
IV. CONCLUSION.....	15

TABLE OF AUTHORITIES

	<u>Page(s)</u>
<u>Cases</u>	
<i>Am. Bar Ass’n v. U.S. Dep’t of Educ.</i> , 370 F. Supp. 3d 1 (D.D.C. 2019).....	7
<i>Anaheim Gardens, L.P. v. United States</i> , 953 F.3d 1344 (Fed. Cir. 2020)	13
<i>Apple, Inc. v. Fintiv, Inc.</i> , IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020)	<i>passim</i>
<i>BMW of North Am., LLC v. NorthStar Sys. LLC</i> , IPR2023-01049, Paper 11 (PTAB Mar. 6, 2024)	4
<i>Bowen v. Georgetown Univ. Hosp.</i> , 488 U.S. 204 (1988).....	7
<i>Cambridge Indus. v. Applied Optoelectronics, Inc.</i> , IPR2025-00434, Paper 11 (PTAB Jun. 26, 2025)	13
<i>Cellco P’ship v. Huawei Device Co.</i> , IPR2020-01117, Paper 10 (PTAB Feb. 3, 2021).....	10
<i>Christopher v. SmithKline Beecham Corp.</i> , 567 U.S. 142 (2012).....	5
<i>Chrysler Corp. v. Brown</i> , 441 U.S. 281 (1979).....	6
<i>Coal. for Common Sense in Gov’t Procurement v. Sec’y of Veterans</i> <i>Affs.</i> , 464 F.3d 1306 (Fed. Cir. 2006)	6
<i>Embody, Inc. v. Lifenet Health</i> , IPR2025-00248, Paper 13 (PTAB Jun. 26, 2025)	13
<i>FDA v. Wages & White Lion Invs., L.L.C.</i> , 145 S. Ct. 898 (2025).....	7

<i>In re Chestek PLLC</i> , 92 F.4th 1105 (Fed. Cir. 2024)	6
<i>Intel Corp. v. Proxense LLC</i> , IPR2025-00327, Paper 12 (PTAB Jun. 26, 2025)	12
<i>Landgraf v. USI Film Prods.</i> , 511 U.S. 244 (1994).....	5
<i>Lincoln v. Vigil</i> , 508 U.S. 182 (1993).....	7
<i>Meta Platforms, Inc. v. Eight kHz, LLC</i> , IPR2023-01005, Paper 9 (PTAB Jan. 9, 2024)	4
<i>Mexichem Fluor, Inc. v. EPA</i> , 866 F.3d 451 (D.C. Cir. 2017).....	5
<i>Motorola Sols., Inc. v. STA Grp. LLC</i> , IPR2023-01293, Paper 11 (PTAB Mar. 13, 2024).....	4
<i>Motorola Sols., Inc. v. Stellar, LLC</i> , IPR2024-01205, Paper 19 (PTAB Mar. 28, 2025)	11
<i>Nat’l Treasury Emps. Union v. Fed. Labor Relations Auth.</i> , 404 F.3d 454 (D.C. Cir. 2005).....	8
<i>Nokia of Am. Corp. v. IPCOM, GmbH & Co., KG</i> , IPR2021-00533, Paper 10 (PTAB Aug. 12, 2021).....	10
<i>Samsung Elecs. Co. v. CardWare Inc.</i> , IPR2023-00211, Paper 13 (PTAB Jun. 13, 2023)	10
<i>SNAP, Inc. v. SRK Tech. LLC</i> , IPR2020-00820, Paper 15 (PTAB Oct. 21, 2020).....	11
<i>Sotera Wireless, Inc. v. Masimo Corp.</i> , IPR2020-01019, Paper 12, 19 (PTAB Dec. 1, 2020)	<i>passim</i>
<i>Tafas v. Dudas</i> , 511 F. Supp. 2d 652 (E.D. Va. 2007)	4

<i>Twitch Interactive, Inc. v. Razdog Holdings LLC</i> , IPR2025-00307, Paper 18 (PTAB May 16, 2025)	13
<i>U.S. ex rel. Siegel v. Thoman</i> , 156 U.S. 353 (1895).....	15
<i>Voice Tech Corp. v. Unified Patents, LLC</i> , 110 F.4th 1331 (Fed. Cir. 2024)	15
<i>Zynga, Inc. v. IGT</i> , IPR2022-00199, Paper 11 (PTAB Jun. 14, 2022)	10

Statutes

5 U.S.C. § 553(b)	6
5 U.S.C. § 706(2)(A).....	7
35 U.S.C. § 2(b)(2).....	4
35 U.S.C. § 311	13, 14
35 U.S.C. § 312	13
35 U.S.C. § 314.....	1, 2, 14, 15
35 U.S.C. § 315	14
35 U.S.C. § 316.....	4

Other Authorities

37 C.F.R. §42.15(a)(1)	5
H.R. Rep. No. 112-98	14
https://www.uspto.gov/sites/default/files/documents/guidance_memo_ on_interim_procedure_recission_20250324.pdf	2
<i>USPTO Rescinds Memorandum Addressing Discretionary Denial Procedures</i> (Feb. 28, 2025)	2, 3

PETITIONERS' EXHIBIT LIST

Exhibit No.	DESCRIPTION
1001	U.S. Patent No. 8,073,436 (“’436Pat.”)
1002	Declaration of Dr. Michael Kotzin
1003	Curriculum Vitae of Dr. Michael Kotzin
1004	File History of U.S. Patent No. 8,073,436 (“ <i>File History</i> ”)
1005	U.S. Patent Application Publication 2005/0239497 (“ <i>Bahl</i> ”)
1006	U.S. Patent Application Publication 2004/0165563 (“ <i>Hsu</i> ”)
1007	U.S. Patent Application Publication 2003/0130001 (“ <i>Weisshaar</i> ”)
1008	U.S. Patent No. 7,539,175 (“ <i>White</i> ”)
1009	U.S. Patent Application Publication 2003/0081657 (“ <i>Ranta</i> ”)
1010	L. Magalhaes et al., End-to-End Inverse Multiplexing for Mobile Hosts, J. Braz. Comp. Soc. 7 (2001) (“ <i>Magalhaes</i> ”)
1011	U.S. Patent No. 6,983,162 (“ <i>Kotzin</i> ’162”)
1012	Microsoft Windows® 2000 Server Operations Guide (ISBN 1-57231-805-8) (2000) (“ <i>WINDOWS Guide</i> ”)
1013	U.S. Patent Application Publication No. 2004/0053624 (“ <i>Frank</i> ”)
1014	U.S. Patent No. 6,826,406 (“ <i>Vialen</i> ”)
1015	U.S. Patent Application Publication No. 2005/0198350 (“ <i>Tan</i> ”)
1016	U.S. Patent No. 5,737,703 (“ <i>Byrne</i> ”)
1017	U.S. Patent No. 6,791,968 (“ <i>Kotzin</i> ’968”)
1018	Complaint in <i>Four Batons Wireless, LLC, v. Samsung Electronics Co., Ltd. et al.</i> , 2:24-cv-00284 (E.D. Tex. April 26, 2024)

Exhibit No.	DESCRIPTION
1019	Docket Control Order from <i>Four Batons Wireless, LLC v. Samsung Electronics Co., LTD, et al.</i> , No. 2:24-cv-0284-JRG (ECF 035) (E.D. Tex. Aug. 26, 2024)
1020	Letter from Jin-Suk Park to Meng Xi, dated April 18, 2025
1021	Order re Samsung's Motion To Stay Proceedings Pending <i>Inter Partes</i> Review in <i>Four Batons Wireless, LLC v. Samsung Electronics Co., Ltd. et al.</i> , Case No. 2:24-cv-284, Dkt. No. 74 (E.D. Tex. Filed May 29, 2025)
1022	<i>Harbor Island Dynamic, LLC v. Samsung Elecs. Co.</i> , No. 2:24-CV-00140-JRG-RSP, Dkt. 81 (E.D. Tex. May 19, 2025)
1023	<i>Cellspin Soft, Inc. v. ByteDance Ltd.</i> , No. 2:23-CV-00496-JRG-RSP, Dkt. 106 (E.D. Tex. Jan. 26, 2025)
1024	Third Amended Docket Control Order in <i>Four Batons Wireless, LLC v. Samsung Electronics Co., Ltd. et al.</i> , Case No. 2:24-cv-284, Dkt. No. 76 (E.D. Tex. Filed May 29, 2025)
1025	Plaintiff's First Supplemental Responses and Objections to Defendants Samsung Electronics Co., Ltd.'s and Samsung Electronics America Inc.'s First Set of Interrogatories (Nos. 1-23) served on March 11, 2025 in <i>Four Batons Wireless, LLC v. Samsung Electronics Co., Ltd. et al.</i> , Case No. 2:24-cv-284 (E.D. Tex.)
1026	Affidavit of Service in <i>Four Batons Wireless, LLC v. Samsung Electronics Co., Ltd. et al.</i> , Case No. 2:24-cv-284, Dkt. No. 10 (E.D. Tex. Filed May 1, 2024)
1027	The Parties' P.R. 4-3 Joint Claim Construction and Pre-Hearing Statement in <i>Four Batons Wireless, LLC v. Samsung Electronics Co., Ltd. et al.</i> , Case No. 2:24-cv-284, Dkt. No. 77 (E.D. Tex. Filed May 30, 2025)
1028	Average times to issue Notices of Filing Date Accorded according

Exhibit No.	DESCRIPTION
	to Docket Navigator
1029	PTAB Trial Statistics (FY 2024), USPTO
1030	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)
1031	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)
1032	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)
1033	NOTICE of Hearing: Markman Hearing set for 9/2/2025 at 01:30 PM before Magistrate Judge Roy S. Payne in <i>Four Batons Wireless, LLC v. Samsung Electronics Co., Ltd. et al.</i> , Case No. 2:24-cv-284 (E.D. Tex. Filed Aug. 19, 2024)
1034	Assignment of U.S. 8,073,436 from Toshiba America Research, Inc. to Four Batons Wireless LLC

I. INTRODUCTION

Petitioners Samsung Electronics, Co., Ltd. and Samsung Electronics America, Inc. (collectively “Samsung”) respectfully request Director Review of the Director’s¹ July 17, 2025 Decision Granting Patent Owner Four Batons Wireless LLC’s (“PO”) Request for Discretionary Denial (“Decision”) (Paper 11) of the IPR petition directed to U.S. 8,073,436 (“’436 patent”), and referral to a panel.²

The retroactive rescission of the USPTO’s binding guidance that a *Sotera* stipulation insulated a petition from discretionary denial under § 314(a) violates both Samsung’s right under the Due Process Clause of the Fifth Amendment and the Administrative Procedure Act (“APA”). This alone requires reconsideration of the decision to deny institution and referral of the Petition to a panel for consideration on the merits. It was also 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,

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.

² This request is being filed on Monday August 18, 2025, which is the next business day after the due date of Saturday August 16, 2025. 35 U.S.C. § 21(b).

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. 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. BACKGROUND

PO filed suit accusing Samsung of infringing four patents. *See Four Batons Wireless LLC v. Samsung Electronics Co., Ltd. et al.*, No. 2:24-cv-00284-JRG (E.D. Tex.). Samsung filed petitions in IPR2025-00493 to IPR2025-00496 on January 24 through 30, 2025 challenging all four patents. At the time Samsung filed its petitions, the discretionary denial regime guided by Director Vidal's memorandum dated June 21, 2022 ("the Vidal Memo") was in force. On February 28, 2025, the USPTO rescinded the Vidal Memo in a three-sentence website post that did not indicate the matters to which the rescission applied. USPTO Notice, *USPTO Rescinds Memorandum Addressing Discretionary Denial Procedures* (Feb. 28, 2025) ("Rescission Announcement"). Subsequently, on March 24, 2025, Chief Administrative Patent Judge Boalick issued the "Boalick Memo,"³ stating, among

³https://www.uspto.gov/sites/default/files/documents/guidance_memo_on_interim_procedure_recission_20250324.pdf

other things, that the Vidal Memo rescission applied to “any case in which the Board has not issued an institution decision, or where a request for rehearing or Director Review of an institution decision was filed and remains pending.” *See* Boalick Memo. The Boalick Memo stated that “a timely-filed *Sotera* stipulation” is “highly relevant,” and should be considered by the Board. *Id.* “Timely filed” means prior to the Board’s decision on institution. *Id.*, n.1.

On April 21, 2025—one month before PO’s request for discretionary denial was due—Samsung filed as an exhibit a letter it had provided to PO in which it stipulated that if the Petition is instituted, “then Samsung will not pursue in the above-captioned litigation (i) any grounds that were raised or reasonably could have been raised in the IPR, and (ii) combinations of the prior art asserted in this IPR with unpublished system prior art.” Ex-1020. PO filed its Request for Discretionary Denial on May 21, 2025. *See* Paper 8.

On July 17, 2025, the Petition was discretionarily denied. *See* Paper 11. The Decision reasoned (i) it is unlikely that a final written decision would issue before the district court trial occurred, (ii) there is insufficient evidence that the district court is likely to stay its proceeding even if the Board were to institute trial, and (iii) PO had strong settled expectations because the challenged patent has been in force for over 10 years. Paper 11, 2.

III. ARGUMENT

A. Rescission of the Vidal Memo Violates the Due Process Clause

The retroactive rescission of the Vidal Memo violated Samsung’s Due Process rights. Specifically, Samsung relied on this “binding agency guidance” (see Vidal Memo) that guaranteed that its Petition would not be discretionarily denied based on parallel district court litigation so long as it timely filed its *Sotera* stipulation. Based on the Vidal Memo, the Board had repeatedly held that a timely filed *Sotera* stipulation was sufficient to avoid discretionary denial. See, e.g., *BMW of North Am., LLC v. NorthStar Sys. LLC*, IPR2023-01049, Paper 11, 10 (PTAB Mar. 6, 2024) (“Under the mandatory Fintiv guidance, this [*Sotera*] stipulation is dispositive.”); *Meta Platforms, Inc. v. Eight kHz, LLC*, IPR2023-01005, Paper 9, 10-12 (PTAB Jan. 9, 2024) (*Sotera* stipulation cited as reason for declining to exercise discretion to deny institution); see also *Motorola Sols., Inc. v. STA Grp. LLC*, IPR2023-01293, Paper 11, 6-7 (PTAB Mar. 13, 2024). After Samsung reasonably acted in reliance on the guidance, the USPTO retroactively rescinded the guidance, and then discretionarily denied Samsung’s Petition based on the parallel district court litigation—exactly what the guidance promised could not happen.

Congress did not grant the USPTO the authority to retroactively enforce (or decline to enforce) rules or guidance. Cf. 35 U.S.C. §§ 2(b)(2), 316(a); see also *Tafas v. Dudas*, 511 F. Supp. 2d 652, 666 (E.D. Va. 2007) (“Congress did not expressly grant the PTO” “the power to promulgate retroactive rules.”). The Boalick Memo is

retroactive because it applies a new rule to past acts—namely, Samsung’s timing and decision to bring this Petition based on its reliance on the Vidal Memo. *See Landgraf v. USI Film Prods.*, 511 U.S. 244, 269–70 (1994) (explaining that retroactivity is defined by “whether the new provision attaches new legal consequences to events completed before its enactment”). The Boalick Memo as applied to Samsung violates the Due Process Clause because it altered the legal consequences of actions that Samsung had already taken. *See Mexichem Fluor, Inc. v. EPA*, 866 F.3d 451, 462 (D.C. Cir. 2017) (“To satisfy the Due Process Clause, [an agency] must at a minimum ‘provide regulated parties fair warning of the conduct a regulation prohibits or requires.’” (quoting *Christopher v. SmithKline Beecham Corp.*, 567 U.S. 142, 156 (2012))). Samsung received no such “fair warning.”

Moreover, Samsung also had a protected interest in the fees and costs it expended preparing and filing the Petition—including the IPR request fee, *see* 37 C.F.R. § 42.15(a)(1)—under the reasonable expectation that pairing an IPR petition with a *Sotera* stipulation would lead to a decision on the merits at institution under the agency’s binding policy as set out in the Vidal Memo. The Decision deprives Samsung of its request fee without the requisite process—consideration of the Petition on the merits for institution purposes. That was the required process because it was the result Samsung was told it could expect if it followed the Vidal Memo’s binding policy.

B. Rescission of the Vidal Memo Violates the APA

The rescission of the Vidal Memo also violates the APA because it did not go through notice-and-comment rulemaking and because it impermissibly applies retroactively. Under the APA, all rules require notice-and-comment rulemaking except for “interpretative rules, general statements of policy, or rules of agency organization, procedure, or practice.” 5 U.S.C. § 553(b). The rescission of the Vidal Memo was a substantive rule that required notice-and-comment rulemaking because it “effect[ed] a change in existing law or policy or ... affected individual rights and obligations.” *Coal. for Common Sense in Gov’t Procurement v. Sec’y of Veterans Affs.*, 464 F.3d 1306, 1317 (Fed. Cir. 2006); *see also In re Chestek PLLC*, 92 F.4th 1105, 1109 (Fed. Cir. 2024). Specifically, the Vidal Memo—which was enacted after the USPTO received and considered “822 comments from a wide range of stakeholders” (*see* Vidal Memo)—created a “binding” policy that a *Sotera* stipulation could protect petitioners from discretionary denials based on parallel litigation. The rescission of the Vidal Memo overturned that binding policy without any notice or comment period. As such, the rescission of the Vidal Memo affects the individual rights and obligations of petitioners, like Samsung. *See Chrysler Corp. v. Brown*, 441 U.S. 281, 302 (1979) (holding that “affecting individual rights and obligations ... is an important touchstone for distinguishing” substantive rules that require notice-and-comment rulemaking).

The rescission of the Vidal Memo further violates the APA because of its retroactive effect which is “arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law,” and therefore must be “h[e]ld unlawful and set aside.” 5 U.S.C. § 706(2)(A). The Supreme Court has explained that “general statements of policy” that an agency has the ability to promulgate are those that “advise the public prospectively of the manner in which the agency proposes to exercise a discretionary power.” *Lincoln v. Vigil*, 508 U.S. 182, 197 (1993) (cleaned up). However, only substantive rules can be applied retroactively and even then, they “will not be construed to have retroactive effect unless their language requires this result.” *See Bowen v. Georgetown Univ. Hosp.*, 488 U.S. 204, 220 (1988). Here, even if the rescission of the Vidal Memo had undergone notice-and-comment rulemaking, it still could not be given retroactive effect because the language of the rescission did not require that result. *Compare* Rescission Announcement (not mentioning retroactive effect) *with* Boalick Memo (announcing retroactive effect). Moreover, the retroactive rescission of the Vidal Memo changed existing policy without providing a reasoned explanation for the change and without considering the serious reliance interests involved. The rescission, therefore, also violates the APA under the change-in-position doctrine. *See FDA v. Wages & White Lion Invs., L.L.C.*, 145 S. Ct. 898, 917 (2025); *Am. Bar Ass’n v. U.S. Dep’t of Educ.*, 370 F. Supp. 3d 1, 32-33 (D.D.C. 2019).

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

The Decision only addresses two of the six *Fintiv* factors—likelihood of stay and difference between FWD and trial dates—and even then applies those factors contrary to binding precedent and longstanding Board practice. Thus, the Decision both violated the APA and 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.”⁴ *Apple, Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, at 6 (PTAB Mar. 20, 2020) (precedential); *see also Nat’l Treasury Emps. Union v. Fed. Labor Relations Auth.*, 404 F.3d 454, 457-58 (D.C. Cir. 2005) (an agency’s “failure to follow its own well-established precedent without explanation is the very essence of arbitrariness”).

1. The Decision’s Finding of Regarding Likelihood Of Stay Contradicts Binding Board Precedent

The Decision’s finding that “there is insufficient evidence that the district

⁴ 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. Paper 11, 3.

court is likely to stay its proceedings 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.”⁵ *Fintiv*, IPR2020-00019, Paper 11, 6-7. The district court’s denial of Samsung’s motion to stay pending IPR was ***without prejudice*** to Samsung’s ability to renew the motion after the Board’s institution decision. *See* Ex-1021, 2. 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. The Decision Misapprehended The Likely Trial Date, And The Board Has Routinely Instituted With A Mere Three Month Difference Between The Trial Date And FWD

Relying on outdated time-to-trial statistics, the Decision states the latest trial is likely to begin is March 2026.⁶ The latest statistics through March 31, 2025, however, provide median time to trial of 25.9 months—a near 3 months increase. Ex-1030, at 35. Moreover, the statistics show that the average time to trial in the

⁵ All emphases added unless otherwise noted.

⁶ The Decision relies on statistics through December 31, 2024, which provide a median time to trial for EDTX of 23.0 months. Paper 11, 2; Ex-2006.

Eastern District of Texas has been steadily increasing over the last year. *See id* (25.9 months in 3/31/2025); Ex-2006, at 35 (23.0 months in 12/31/2024); Ex-1031, at 35 (21.9 months in 09/30/2024); Ex-1032, at 35 (21.6 months in 06/30/2024).

Thus, using the current time-to-trial statistics, the district court trial start date was merely three months prior to the FWD due date.⁷ 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 a mere three or four month difference between these dates. *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 18-20 (PTAB Feb. 3, 2021).

3. The *Fintiv* Factors As A Whole Favor Institution

Had the Decision engaged with the totality of the *Fintiv* factors, the only reasonable conclusion would have been to refer the Petition to a panel. For example, as to factor 4 (issue overlap), Samsung provided a *Sotera+* stipulation. *See supra* §II. Thus, Samsung's stipulation allays concerns about overlap between the IPR and

⁷ The FWD is expected no later than September 23, 2026, whereas trial (using the current time-to-trial statistics) is expected to begin in late June or early July 2026.

district court litigation and weighs strongly against discretionary denial. *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12, 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, 3-4 (PTAB Mar. 28, 2025).

As to factor 3 (parallel proceeding), nearly every significant milestone in the case—including expert discovery, dispositive and *Daubert* motions, pretrial conference and trial—is scheduled to occur ***after*** the Board’s institution decision. Paper 10, 5-6. Moreover, the Markman hearing has since been rescheduled to September 2, 2025 (Ex-1033), making it even more likely there will be no Markman decision prior to the institution decision. 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 10, 5-8; *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).

Fintiv factor 6 also weighs against discretionary denial where the Petition raised compelling grounds of unpatentability and PO merely asserted that the presented grounds are not anticipatory and rely on “improper hindsight” without any evidence or explanation for such sweeping assertions. Paper 10, 14-15. 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 10, 12-13.

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.

D. The Decision’s Reliance On “Settled Expectations” Is Factually Unfounded And An Abuse Of Discretion

A patent’s age alone is not sufficient to demonstrate settled expectations when the patent “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 (PTAB Jun. 26, 2025). Yet, there is nothing in the record to suggest that the ’436 patent was practiced or marked, that there was widespread or general awareness of it, or that it is relevant 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.” Despite this lack of evidence, the Decision states that PO had “strong settled expectations” because the patent issued over 10 years ago. Paper 11, 2.

Moreover, PO was the party who had the burden to come forward with such evidence. First, the AIA places no affirmative burden on petitioners for IPR

institution other than as set out in 35 U.S.C. §§ 311-312. Second, where there is no evidence of settled expectations, petitioners should not be expected to prove a negative. *See also Twitch Interactive, Inc. v. Razdog Holdings LLC*, IPR2025-00307, Paper 18, 3 (PTAB May 16, 2025) (not relying on PO's assertion of settled expectations because "none of these allegations are sufficiently explained").

Additionally, PO acquired the patents in June 2021 and could not have had settled expectations in a patent it owned for merely three and a half years before an IPR was filed against it. Ex-1034; *see Embody, Inc. v. Lifenet Health*, IPR2025-00248, Paper 13 at 2-3 (PTAB Jun. 26, 2025) (referring petitions to panel where patents had been in force for three and seven years); *Cambridge Indus. v. Applied Optoelectronics, Inc.*, IPR2025-00434, Paper 11, at 2-3 (PTAB Jun. 26, 2025) (referring petitions to panel where challenged patents had been in force for five to six years). What is legally relevant are PO's expectations for its 2021 investment, not the prior owner's expectations between 2011 and the sale. *See Anaheim Gardens, L.P. v. United States*, 953 F.3d 1344, 1350-51 (Fed. Cir. 2020) (noting that "the timing" of a purchase of property and the "knowledge of purchaser" are relevant considerations in determining whether a purchaser had reasonable investment-backed expectations).

If anything, Samsung had a settled expectation that it was already licensed to the '436 patent. Paper 10, 18-21. The Decision ignores Samsung's expectations

because the license agreement is not of record. Paper 11, 3 n.3. But Samsung’s point is that it believed it was licensed to the patent—a fact that PO does not dispute was communicated to it (Ex-2011, 21)—which explains why Samsung had no reason to challenge the validity of the patent before it was sued. The license agreement itself does not need to be of record to explain why Samsung did not challenge the patent before it was sued.

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. There is nothing in the AIA about patents older than a certain “age” not being subject to review. *See* H.R. Rep. No. 112-98, at 47 (“The limit on challenging patents issued before 1999 in inter partes reexamination is eliminated; all patents can be challenged in inter partes 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)).

E. 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 ... 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 ... *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.”). 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).⁸

IV. 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).

⁸ Samsung does not waive any arguments in its Opposition not specifically raised here. *See Voice Tech Corp. v. Unified Patents, LLC*, 110 F.4th 1331, 1339-41 (Fed. Cir. 2024).

Date: August 18, 2025

Respectfully submitted,

/David A. Caine/

David A. Caine (Reg. No. 52,683)
Counsel for Petitioners

CERTIFICATE OF SERVICE

I certify that on August 18, 2025, I caused a true and correct copy of the foregoing Petitioners' Request for Director Review of Decision Denying Institution of *Inter Partes* Review and supporting exhibits to be served via electronic mail in their entirety on the following:

Michael F. Heim: mheim@hpcllp.com
Christopher L. Limbacher: climbacher@hpcllp.com

/Douglas Smith/

Douglas Smith
Senior Paralegal II