

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

v.

MOBILE DATA TECHNOLOGIES LLC,
Patent Owner

IPR2025-00535
U.S. Patent No. 9,032,039

**PETITIONERS' RESPONSE TO PATENT OWNER'S
DISCRETIONARY DENIAL BRIEF**

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Patent Trial and Appeal Board
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I. Introduction

Samsung Electronics Co. Ltd. and Samsung Electronics America, Inc. (“Petitioners” or “Samsung”) respectfully request that the Director decline to exercise discretionary denial and refer a three-member panel of the Board to consider the merits of the Petition against U.S. Patent 9,032,039 (“the ’039 patent”; EX-1001.)

What makes this Petition unique is the Board instituted IPR against five of the challenged claims (claims 19-23) on June 11, 2024 based on a petition filed by Meta Platforms, Inc. *See* IPR2024-00248 (the “Meta-MDT-IPR”), Paper 11. PO sued Petitioners in the Eastern District of Texas on June 10, 2024 – a date strategically timed to prevent Petitioners from realistically conducting the diligence necessary to evaluate whether to join the Meta-MDT-IPR.

The Meta-MDT-IPR was scheduled for oral argument on March 11, 2025. But, just days before the hearing, PO settled its dispute with Meta, thus avoiding a Final Written Decision invalidating claims of the ’039 patent (and other related patents challenged by Meta). Importantly, the Petition here presents the same art presented by Meta and relied on by the Board to institute IPR. There thus cannot be any dispute that the merits of the Petition are strong.

Through its discretionary denial brief, PO essentially seeks the Director’s assistance to yet again avoid an invalidity finding against the ’039 patent. PO even

goes so far as to accuse Petitioners of abusing the IPR process. Yet it is PO that has attempted to game the system—rather than proceed to a Final Written Decision in the Meta-MDT-IPR, PO settled with Meta right before the hearing, which completely belies any argument by PO about the supposed strength of its patent. Exercising discretionary denial against a patent for which the Board already instituted IPR would directly contradict Congress’s purpose in enacting the AIA, which sought to “improv[e] patent quality and provid[e] a more efficient system for challenging patents that should not have issued.” H.R. Rep. No. 112-98, 39-40 (2011) (“House Report”). PO’s gamesmanship should not be rewarded. Indeed, exercising discretion to deny the pending petition would perversely incentivize patent owners facing instituted *inter partes* review to settle such proceedings (while still straining Board resources through the institution phase) and file serial litigation against another defendant in the same technical field in order to inoculate their patents from Board review.

Accordingly, Petitioners respectfully submit that the Director should not exercise discretionary denial.

II. Factual Background

A. Samsung Is an Innovator

Samsung is one of the most innovative companies in the world. Since 2020, Samsung has been awarded over 27,000 U.S. patents—the most of any company—

including patents in cellular technologies, smartphone user interfaces, biometrics, OLED displays, chip fabrication, and battery technologies. Samsung commercializes these innovations into hundreds of products and services across dozens of industries, including smartphones, cellular base stations, televisions, semiconductors, batteries for consumer products and electric vehicles, and household appliances like refrigerators, dishwashers, microwaves, and washing machines.

B. Patent Owner Mobile Data Technologies LLC

PO is a Delaware limited liability company founded July 15, 2019. (EX-1034; EX-1035, ¶1.) According to PO, it “specializes in mobile technologies and social media solutions.” (EX-1035, ¶1.) However, PO has no online presence (no website or social media) and provides no products or services relating to “mobile technologies and social media solutions” or otherwise. Indeed, PO admitted in litigation that it has no product that practices the alleged invention of the ’039 patent. (EX-2026, 11 (“MDT does not assert that its own apparatus, product, device, process, method, act, or other instrumentality practices the claimed invention.”).)

Since its creation, PO’s only publicly known activity appears to have been the April 1, 2022 purchase of six related patents, including the ’039 patent (*see*

EX-1036), and, as discussed further below, the subsequent assertion of those patents against Meta in November 2022 and against Petitioners in June 2024.

PO's litigation efforts are funded, at least in part, by a litigation funder named LIT-US Chisum 22-B LLC ("Chisum"); PO assigned a security interest in the '039 patent to Chisum on September 29, 2022, just before PO filed suit against Meta. (EX-1037.) Chisum's business is to fund patent litigations. (*See, e.g.*, EX-1038 (*Entangled Media* Dkt. No. 254), 1 ("[Plaintiff] has received and continues to receive litigation funding from non-party LIT-US Chisum 22-B LLC ... with respect to this litigation."); EX-1039 (*Electrolysis* Dkt. No. 147), 3 ("[Plaintiff] entered into a financing transaction in September 2022, a portion of which included granting a security interest in the '494 Patent to LIT-US CHISUM 22-B LLC").)

C. PO's Prior Proceedings Against Meta

1. MDT Sues Meta in the MDT-Meta-Litigation

On November 23, 2022, PO sued Meta Platforms, Inc. ("Meta") and Meta Platforms Technologies, LLC alleging infringement of the '039 patent, among other patents.¹ (EX-1040.) PO accused "Defendants' social media mobile

¹ PO originally sued Meta in the Western District of Texas. Judge Albright granted Meta's motion to transfer to the Northern District of California. Prior to

applications and related software, including without limitation those made available under the Facebook brand” of infringement. (*Id.*, ¶88.)

2. The Instituted IPR Proceeding Against the ’039 Patent

On December 6, 2023, Meta filed an IPR petition challenging claims 19-23 of the ’039 patent. IPR2024-00248, Paper 2. Ground 1 challenged claims 19-20, 22-23 based on Neibauer, Cheng, and Squibbs; Ground 2 challenged claim 21 based on those references in further view of Bandera. *Id.*, 3. Meta also raised Grounds 3-4 in further view of Harvey to account for a potential construction of “*application-based information channel*” Meta proposed in the MDT-Meta-Litigation. *Id.*, 3, 11.

On June 11, 2024, the Board instituted IPR of the ’039 patent. IPR2024-00248, Paper 11. In so doing, the Board declined PO’s request to exercise discretionary denial under §325(d), “disagree[ing] with Patent Owner that all of the references Petitioner is relying on are the same or substantially the same as references that were before the Office.” *Id.*, 14. The Board noted that “there is no dispute that neither Harvey nor Bandera was considered by the Office, nor that Harvey is not substantially the same as any reference that was before the Office.” *Id.* The Board also rejected PO’s argument that Bandera is substantially the same

settlement, the case was captioned *Mobile Data Techs. LLC v. Meta Platforms, Inc.*, No. 3:24-cv-00896-WHA (N.D. Cal.) (the “MDT-Meta-Litigation”).

as US 2005/0177645 to Dowling et al., which was presented during prosecution.

Id., 14-15.

On the merits, the Board found “there is a reasonable likelihood that Petitioner [Meta] will prevail in demonstrating that claim 19 is unpatentable as obvious in view of Neibauer, Cheng, and Squibbs.” *Id.*, 26. The Board stated that, “on the present record, Neibauer teaches limitation 19a,” which is the only limitation PO disputed pre-institution. *Id.*, 23. In particular, the Board concluded that “the photo sharing feature of the Yahoo! club [in Neibauer] is, on the present record ... the ‘application-based information channel’ of claim 19.” *Id.*, 22.

The Board scheduled oral argument (for the ’039 and five other related patents asserted against Meta) for March 11, 2025. IPR2024-00248, Paper 12.

3. PO’s and Meta’s Conflicting and Changing Views on Claim Construction

In the MDT-Meta-Litigation and the Meta-MDT-IPR, the parties identified the following terms for construction. (EX-1025, 1-4; EX-1030, 8-17; EX-1033, 2-8.)

a. Mobile Device

MDT-Meta District Court	
PO	plain and ordinary meaning; alternatively, “a piece of handheld equipment”

Meta	“any type of portable information processing device capable of being configured for communication over a network, including but not limited to a mobile telephone, a personal digital assistant (PDA), a palmtop computer, a hand-held computer, a laptop computer, a tablet computer, a global positioning system (GPS) receiver or other GPS-based navigational device, an MP3 player or other type of audio player, a pager, a watch or other timepiece, a camera, or a portable game player”
Meta-MDT-IPR	
PO	“a portable device with limited display space and limited navigational capabilities that connects to a mobile site and/or mobile channel via a wireless network”
Meta	construed based on express definition: “The term ‘mobile device’ as used herein is intended to include, without limitation, any type of portable information processing device capable of being configured for communication over a network”

b. “Application-Based Information Channel”

Meta and PO agreed to the construction “a computer program-based medium for transferring information” for the purpose of the Meta-MDT-IPR. (EX-1030, 17.)

c. Wireless Network Limitations

In the Meta-MDT-IPR, the parties dispute the construction of two limitations primarily over whether the wireless network is “independent” or “separate” from the Internet.” (EX-1030, 15-17; EX-1033, 5-8.)

(i) “Wireless Networking Functionalit[y]/[ies]”

Meta-MDT-IPR	
PO	“functionality implementable by the mobile device via the wireless network independent of the Internet”
Meta	to the extent the phrase requires express construction, “functionality implementable over a wireless network”

(ii) “Wireless Network”

Meta-MDT-IPR	
PO	“a network separate from the internet that facilitates connection to the internet by a mobile device”
Meta	to the extent the phrase requires express construction, “a network that allows a device to communicate wirelessly over a network”

PO submitted its PO Response on October 1, 2024. (EX-1030.) As relevant here, PO proposed that “*mobile device*” be construed to mean “a portable device with limited display space and limited navigational capabilities that connects to a mobile site and/or mobile channel via a wireless network.” (*Id.*, 9.) This construction differed from PO’s litigation construction, which was “a piece of handheld equipment.” (EX-1025, 3.) PO also proposed “*application-based information channel*” to mean “a computer program-based medium for transferring information.” (EX-1030, 17.)

4. PO and Meta Settle on the Eve of Oral Argument

On March 7, 2025, just four days before oral argument, PO and Meta filed a joint motion to terminate the IPR. IPR2024-00248, Paper 38. The parties concurrently filed a copy of the settlement agreement as EX-2024; the agreement has been sealed as business confidential information by the Board. IPR2024-00248, Paper 39.

D. The MDT-Samsung Texas Litigation

PO sued Petitioners for patent infringement on June 10, 2024 alleging infringement of the '039 patent, among other patents. *Mobile Data Technologies LLC v. Samsung Electronics America, Inc.*, No. 2:24-cv-435-JRG-RSP (E.D. Tex.). PO served infringement contentions on the '039 patent on September 4, 2024, asserting 19 claims. In contrast, PO asserted only 5 claims against Meta, all of which were challenged in IPR2024-00248. Samsung challenges 21 claims in the pending Petition. A list of claims asserted by PO and challenged by Meta and Samsung is set forth in the table below.

'039 Patent Claims Asserted Against and Challenged by Meta	'039 Patent Claims Asserted Against Samsung	'039 Patent Claims Challenged by Samsung in IPR
19-23	1-4, 8, 9, 13-15, 17-19, 22-25, 28-30	1-4, 8, 9, 13-15, 17-25, 28-30

III. Discretionary Denial Would Contradict the Purposes of the AIA

Nearly 15 years ago in 2011, Congress passed the Leahy-Smith America Invents Act (“AIA”) to address flaws in the patent system. Of particular concern was the proliferation of low-quality patents and the corresponding rise in abusive enforcement. *See, e.g., Thryv, Inc v. Click-To-Call Techs., LP*, 590 U.S. 45, 54 (2020) (“Congress, concerned about overpatenting and its diminishment of competition, sought to weed out bad patent claims efficiently.”); House Report, 39-40 (“[Q]uestionable patents [were] too easily obtained and too difficult to challenge.”). With these concerns in mind, Congress identified as one of the primary goals of the AIA “establish[ing] a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.” House Report, 40.

A critical part of the AIA’s new system was the creation of the PTAB and IPR process, which was designed to combat general flaws in the patent system like low patent quality and costly and inefficient district court litigation, as well as problems directly associated with enforcement of low quality patents such as forum shopping and the economic impact of such litigation.

A. Weeding out Bad Patents and Providing an Alternative to Costly and Inefficient District Court Litigation

In passing the AIA, Congress recognized that the USPTO, constrained by limited time and resources, had increasingly allowed the issuance of patents that

did not meet the statutory standard. IPR (along with the AIA’s new Post-Grant Review proceeding) would provide a system “for challenging [these] patents that should not have issued,” “improv[ing] patent quality and restor[ing] confidence in the presumption of validity that comes with issued patents in court.” House Report, 39-40, 48. As the Supreme Court acknowledged, “inter partes review protects ‘the public’s paramount interest in seeing that patent monopolies are kept within their legitimate scope.’” *Oil States Energy Servs., LLC v. Greene’s Energy Grp., LLC*, 584 U.S. 325, 336-37 (2018) (quoting *Cuozzo Speed Techs. v. Com. for Intell. Prop.*, 579 U.S. 261, 279-80 (2016)).

Congress also enacted IPR to alleviate the high costs associated with defending patent infringement claims in district court, costs that frequently exceed millions of dollars regardless of patent quality. *See* House Report, 40 (AIA designed to “establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs”). IPR was expressly intended to provide a “quick and cost effective alternative[] to litigation,” House Report, 48, allowing accused infringers to challenge patents early and at significantly reduced expense. The AIA ensured that proceedings before the PTAB would be streamlined and time-limited, providing that final decisions must be issued within 12-18 months of institution. 35 U.S.C. § 316(a)(11). This expedited framework allows accused infringers to avoid the

burdens of lengthy district court litigation, instead resolving disputes at a fraction of the cost and time typically required in Article III courts.

B. Curbing Forum Shopping and Reducing Economic Impact of Litigating Bad Patents

Through creation of the PTAB and IPR, Congress aimed to curtail litigation tactics like forum shopping and reduce the economic impact of the litigation of low-quality patents on innovators and the judicial system.

Congress created in the PTAB a centralized administrative forum for post-grant validity challenges. By enabling accused infringers to challenge questionable patents through IPR, with its procedural efficiencies and a lower burden of proof than district court litigation (preponderance of the evidence rather than clear and convincing), the AIA was intended to substantially diminish the strategic advantage of filing in any particular district court.

When “patents that should not have issued” (House Report 39-40) are litigated, they waste time and money that innovators could otherwise spend on R&D, as well as the judicial resources required to maintain sometimes years-long infringement suits.

Congress intended the AIA to help alleviate the economic burden caused by litigation of low quality patents. *See* House Report, 39 (citing Patent Reform in the 111th Congress: Legislation and Recent Court Decisions, Senate Judiciary Committee, 111th Cong. (2009) (statement of Prof. Mark A. Lemley, Stanford

Law School) (“[A] number of the patent rules have given [litigants] unfair advantages in litigation, allowing them to enforce dubious patents in favorable jurisdictions, and to use the rules of patent remedies to obtain more money than their inventions were actually worth.”)). The AIA’s creation of the PTAB and IPR and limitations on joinder served to improve patent quality, reduce the costs and inefficiencies of district court litigation, and curb forum shopping—benefits Congress recognized would disincentivize litigation of low quality patents and thus reduce its economic impact on innovators and the judicial system. *See, e.g.*, House Report, 39-40 (“[Q]uestionable patents [were] too easily obtained and too difficult to challenge.”); *America Invent's Act: Hearing on H.R. 1249* (noting the importance of the AIA to “address this problem of nonpracticing entities that we believe exploit flaws in the current patent system”).

C. Congress Deliberately Set a One Year Statutory Bar to Give Petitioners a “Reasonable Opportunity” to Prepare Their Case

Congress held healthy debates over the length of time that a litigant defending patent infringement claims would have to file an IPR petition. In the bill passed in the Senate, litigants had 6 months to file an IPR petition. The final bill extended this provision to one year for reasons summarized in the Congressional Record:

High-technology companies, in particular, have noted that they are often sued by defendants asserting multiple patents with large numbers

of vague claims, making it difficult to determine in the first few months of the litigation which claims will be relevant and how those claims are alleged to read on the defendant's products. Current law imposes no deadline on seeking inter partes reexamination. And in light of the present bill's enhanced estoppels, it is important that the section 315(b) deadline afford defendants a reasonable opportunity to identify and understand the patent claims that are relevant to the litigation.

157 Cong. Rec. 13,152, 13,187 (2011) (Sen. Kyl).

IV. Petitioners Filed Parallel Petitions to Address PO's Alternative Constructions of "Mobile Device"

As noted above, PO proposed differing constructions for "*mobile device*" in the Meta-MDT-IPR and the MDT-Meta-Litigation, despite the fact that the same claim construction standard applies in both proceedings. (*See* Petition, 5-6; 37 CFR § 42.100(b).) Petitioners filed their petitions within four months of being made aware of PO's revised claim construction positions in its Response, and within weeks after the deadline for the last brief due in the Meta-MDT-IPR. To address PO's different constructions, Petitioners concurrently filed this Petition and the IPR2025-00536 Petition, in which Petitioners explained how fundamentally different prior art renders obvious the challenged claims under PO's narrower construction. In particular, Petitioners explained:

Randall and Forsyth also teach wireless information devices (e.g., radio telephone and smartphone) that have limited display space and/or limited navigational capabilities. (See EX-1006, 4:61-62, Figures 2-11; EX-1005, 45:23-25 (“current architecture of the Internet is not well suited for the wireless device form factor ... for mobile devices with small displays.”).) For example, as shown in Forsyth’s Figure 6 (below), the wireless information device has a small display and the interface permits the user to navigate to only the listed forums—i.e., the mobile device has limited navigational capabilities. (EX-1003, ¶90.) Thus, the Randall-Forsyth combination discloses a “mobile device” even under PO’s overly narrow Meta-MDT-IPR construction. (*Id.*)

IPR2025-00536, Paper 4, 19; *see also* IPR2025-00536, EX-1003, ¶90.

As shown in, for example, Figure 1B, the “portable game machine” in Pelkey is a “portable device with limited display space.” It has “limited navigational capabilities” in that its functionality is limited by the gaming cartridge and selected navigational capabilities. Furthermore, the “portable game machine” is “a portable device with limited display space and limited navigational capabilities that connects to a mobile site and/or mobile channel via a wireless network” under PO’s Meta-MDT-IPR construction. (*Id.*)

IPR2025-00536, Paper 4, 65; *see also* IPR2025-00536, EX-1003, ¶278.

Petitioners filed parallel petitions challenging the ’039 patent so that PO could not strategically select which claim construction position to pursue depending on what references Petitioners presented. Petitioners’ position is

consistent with the approach endorsed by the Board in at least *Apple Inc. v.*

Resonant Sys. Inc., IPR2024-00698, Paper 9, 13-14 (PTAB Oct. 21, 2024)

(instituting two petitions that relied on “fundamentally different” prior art where patent owner advanced differing claim constructions, reasoning that “it would not serve the public’s interest to institute on only one petition and thus create a situation where Patent Owner could argue against one obviousness ground in one petition in a manner that would undermine Patent Owner’s position against Petitioner’s other obviousness ground in the other petition.”). PO attempts to blame Petitioners for its differing claim construction positions, arguing that they are not “alternative claim constructions.” (PO Br., 5.) But PO does not dispute that the two constructions are in fact different. For example, if PO’s narrower Meta-MDT-IPR construction of “*mobile device*” is adopted, the Board could potentially conclude that the Neibauer grounds raised in this Petition do not satisfy that limitation, whereas the prior art in the IPR2025-00536 petition directly covers a “*mobile device*” under PO’s narrower construction. In short, institution of both petitions will ensure fairness and deny PO the opportunity to engage in further gamesmanship.

Petitioners recognize that the Board may not have the resources to address two petitions directed to the ’039 patent. Petitioners likewise recognize (i) that the Board may wish to proceed solely based on the Neibauer grounds set forth in

IPR2025-00535 given the Board's investment in analyzing and understanding these references in the Meta IPR proceedings and/or (ii) that the Board may only wish to proceed with one set of grounds against the five patents challenged by Petitioners in IPR Nos. 2025-00535-544.

For the '039 patent, Petitioners ranked the IPR2025-00536 petition higher than the instant Petition because Petitioners are challenging 16 claims in the patent not challenged by Meta. (*See* Paper 3, 2.) Put another way, Petitioners ranked the IPR2025-00536 petition higher because the Board would need to make some additional investment in analyzing the prior art regardless of which set of grounds was selected. While Petitioners prefer to proceed with the new grounds set forth in the IPR2025-00536, they are prepared to proceed on the grounds set forth in IPR2025-00535 if that is the Board's preference. Additionally, for the four other patents challenged in IPR2025-00537-544, Petitioners are similarly prepared to follow the Board's preference if it determines to institute IPR on only one set of grounds common across all five challenged patents.²

² PO complains that Petitioners "inconsistently" ranked their IPR petitions across five related patents, one of which is the '039 patent. (PO Br., 48.) Petitioners are not aware of any authority dictating how Petitioners should rank petitions across different patents, and PO cites no such authority. Regardless, as noted above, Petitioners elect to move forward with the petitions based on their

V. Discretionary Denial Is Not Warranted Under *General Plastic*

The Director should decline to exercise discretionary denial under *General Plastic* because Petitioners do not have a significant relationship with Meta, which necessarily outweighs the remaining factors. *See Videndum Prod. v. Rotolight*, IPR2023-01218, Paper 12, 5-6 (Vidal Apr. 19, 2024) (“[W]here, as here, the first and second petitioners are neither the same party, nor possess a significant relationship under *Valve*, *General Plastic* factor one necessarily outweighs the other *General Plastic* factors.”). Even considering the remaining factors, discretionary denial is still inappropriate.

A. Factor One: Petitioners Have No Significant Relationship With Meta

Factor one considers “whether the same petitioner previously filed a petition directed to the same claims of the same patent.” Petitioners clearly are not the same party as Meta, and PO does not contend otherwise. Nor has PO put forth any evidence that Petitioners and Meta are parties to a joint defense group or have any relevant commercial relationship (and they are not).

Petitioners and Meta were never co-defendants in the same case, and PO’s infringement allegations are based on completely different products. (*Compare* EX-1035, ¶27 (accusing “a social media application and software known as

newly identified prior art as to all five patents. PO’s allegation of “inconsistent” rankings is therefore irrelevant.

Samsung Members”), *with* EX-1040, ¶88 (accusing Meta’s “social media mobile applications and related software, including without limitation those made available under the Facebook brand.”).)

PO instead argues that Petitioners have a “significant relationship” with Meta that was “implicitly created” because of the common grounds in Petitioners’ and Meta’s respective Petitions. (PO Br., 13-15.) But the Board has consistently recognized that this is not a basis for finding that discretionary denial is appropriate. *Pat. Quality Assurance, LLC v. VLSI Tech. LLC*, IPR2021-01229, Paper 10, 8 (PTAB Jan. 26, 2022) (finding that “factor 1 weighs somewhat against discretionary denial because Petitioner has not filed a prior petition, but did copy its substantive grounds from a prior petition.”); *Splunk, Inc. v. Sable Networks, Inc.*, IPR2021-01469, Paper 11, 8 (PTAB Mar. 10, 2022) (“we disagree that the framework from *General Plastic* favors denying institution.... Here, the potential for abuse is minimal because this is the first time this petitioner has challenged the ’790 patent, and Petitioner’s alleged copying of the earlier-filed petitions is not enough to fairly characterize Petitioner’s relationship with the IPR2021-00166 and IPR2021-00259 petitioners as significant enough to warrant exercising our discretion to deny institution.”).

Moreover, in the two cases that PO cites to support its “significant relationship” argument (PO Br., 13-14), the Board found the existence of a

relationship between petitioner and an earlier petitioner based on facts that do not exist here.

In *Valve*, Valve and HTC were co-defendants in district court litigation and “were accused of infringing the ’934 patent based on the same product, namely HTC’s VIVE devices that incorporate technology licensed from Valve.” *Valve Corp. v. Elec. Scripting Prods., Inc.*, IPR2019-00062, Paper 11, 9-10 (PTAB, Apr. 2, 2019). HTC had filed an earlier petition challenging the ’934 patent; the Board denied institution “because HTC failed to show a reasonable likelihood of prevailing in establishing the unpatentability of at least one challenged claim.” *Id.*, 1. Valve subsequently filed its own petition challenging the same claims of the patent. *Id.* Under *General Plastic* factor one, the Board found “a significant relationship between Valve and HTC with respect to Patent Owner’s assertion of the ’934 patent” because they were co-defendants in the same litigation and accused of infringing based on the same product. *Id.*, 10. The Board thus concluded that under factor one, “[t]he complete overlap in the challenged claims and the significant relationship between Valve and HTC favor denying institution.” *Id.*

Here, neither factual predicate to *Valve*’s factor-one analysis exists. First, there is no complete overlap in challenged claims. Meta challenged only claims 19-23 of the ’039 patent. IPR2024-00248, Paper 2, 3. In this proceeding, Petitioners

challenge significantly more claims (21 total). (Petition, 2.) Moreover, aside from claims 19-23, all claims Petitioners challenge require “*capturing content at a mobile device*,” which is not required by Meta’s challenged claims. (*Compare* EX-1001, 18:45 (claim 1), 20:2 (claim 18), *with* EX-1001, 20:20-36 (claim 19).)

Second, Petitioners and Meta are not the same party and have no “significant relationship” relating to PO’s assertion of the ’039 patent. Unlike in *Valve*, Petitioners and Meta were never co-defendants in the same case and PO’s infringement allegations are based on completely different products. (*Compare* EX-1035, ¶27, *with* EX-1040, ¶88.) Petitioners have no involvement in Meta’s social media apps, and Meta has no involvement in the Samsung Members app. For these reasons, *Valve* is inapplicable here.

PO’s reliance on *Ericsson*, a non-precedential opinion, fares no better. *Ericsson Inc. v. Uniloc 2017, LLC*, IPR2019-01550, Paper 8 (PTAB Mar. 17, 2020). There, Ericsson’s petition came after other defendants in separate litigation had filed multiple petitions against the same patent, but challenging different claims. Ericsson attempted to distinguish *Valve* by noting that its challenged claims were different than the challenged claims “from ‘any single pending petition.’” *Id.*, 11 (citation omitted). The Board found this distinction unpersuasive because, “[l]ooking at all of the challenged claims in the aggregate, the same claims are being challenged in this Petition as in the prior petitions.” *Id.* The Board also noted

that, “[g]iven the discussion in *Valve Corp.*, if Petitioner had challenged claims that were not previously challenged, this fact could weigh in its favor.” *Id.* And numerous panels have recognized *Ericsson* as an outlier decision limited to its specific facts. *See, e.g., Pat. Quality Assurance*, IPR2021-01229, Paper 10, 10 (PTAB Jan. 26, 2022) (“[*Ericsson*] has not been designated as precedential or informative by the Board, and other decisions have determined that factor 1 weights against discretionary denial for an independent petitioner.”).

As discussed above, there is no complete overlap between Petitioners’ challenged claims and those challenged in the Meta-MDT-IPR; Petitioners have challenged significantly more claims, all of which have at least one limitation, “*capturing content at a mobile device*,” not at issue in the Meta-MDT-IPR. Because Petitioners have “challenged claims that were not previously challenged,” “this factor,” as the *Ericsson* Board noted, “could weigh in [Petitioners’] favor.” *Ericsson*, IPR2019-01550, Paper 8, 11.

B. Factor Two: No Evidence Petitioners Were Aware of the Prior Art

Factor two considers “whether at the time of filing of the first petition the petitioner knew of the prior art asserted in the second petition or should have known of it.” This factor weighs against discretionary denial. As PO admits, “Meta filed the Meta-MDT-IPRs before the Complaint was filed against Petitioners.” (PO Br., 15.)

PO also argues that Petitioners could have joined the Meta-MDT-IPR. (PO Br., 15.) But PO’s strategic filing of its suit against Petitioners—just four weeks before the July 11, 2024 joinder deadline (*see* EX-1041)—deprived Petitioners an adequate opportunity to analyze PO’s patent infringement claims and determine how best to proceed before that joinder deadline passed.

Indeed, Petitioners’ answer in the district court was not even due until October 7, 2024 (because Samsung Electronics Co. Ltd. agreed to waive service). (EX-1042.) And as noted above, Petitioners did not receive PO’s infringement contentions on the ’039 patent until September 4, 2024. Those contentions assert infringement of 19 claims, a number far greater than the 5 claims challenged by Meta in IPR2024-00248. Thus, had Petitioners sought to join the instituted petition, they would have nonetheless needed to file a second petition to address all claims asserted against Petitioners.

C. Factor Three: Petitioners Are Not Using PO’s Submissions in the Meta-MDT-IPR to Strategically File Follow-On Petitions

Factor three, which considers “whether at the time of filing of the second petition the petitioner already received the patent owner’s preliminary response to the first petition or received the Board’s decision on whether to institute review in the first petition,” also weighs against discretionary denial.

The Board’s main concern under factor three is “the shifts in the prior art asserted and the related arguments in follow-on petitions. Multiple, staggered

petitions challenging the same patent and same claims raise the potential for abuse.” *Gen. Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19, 17 (citation omitted). Specifically, in *General Plastic*, the Board sought to prevent petitioners from “strategically stag[ing] their prior art and arguments in multiple petitions, using our decisions as a roadmap, until a ground is found that results in the grant of review.” *Id.*

Not surprisingly, PO’s brief ignores this reasoning in *General Plastic*—because this articulated potential for abuse is not present here. Petitioners are not using follow-on petitions to search for “a ground ... that results in the grant of review”—the Board already found that such grounds exist when it instituted the Meta-MDT-IPR. Moreover, PO had a full and fair opportunity, including with expert testimony, to address the prior art presented here and in the Meta-MDT-IPR. And, if IPR is instituted here, PO will be able to submit a further response. There is no prejudice to PO, so the fact that Petitioners previously saw PO’s submissions in the Meta-MDT-IPR is irrelevant under factor three.

D. Factors Four and Five: The Lapse In Time Before Petitioners Filings Was Proper

Factor four considers “the length of time that elapsed between the time the petitioner learned of the prior art asserted in the second petition and the filing of the second petition,” and factor five considers “whether the petitioner provides adequate explanation for the time elapsed between the filings of multiple petitions

directed to the same claims of the same patent.” Foremost, these factors are not relevant here because Petitioners did not file the earlier petition—Meta did—and Petitioners have no significant relationship with Meta, as discussed above. *See supra* §V.A.

Regardless, Petitioners’ delayed filing the Petition because they were concerned with the possibility that PO would propose different constructions in the MDT-Meta-Litigation and in the Meta-MDT-IPR; Petitioners thus thought it prudent to await final briefing in the Meta-MDT-IPR to ensure that there were no surprises. Petitioners’ concern turned out to be justified. In the MDT-Meta-Litigation, PO proposed “*mobile device*” broadly to mean “a piece of handheld equipment.” (EX-1025, 3.) However, in the Meta-MDT-IPR, PO proposed a new, narrower construction, clearly intended to exclude Meta’s cited prior art: “a portable device with limited display space and limited navigational capabilities that connects to a mobile site and/or mobile information channel via a wireless network.” (EX-1030, 24.) Petitioners had to take PO’s new construction into account, ultimately resulting in the filing of concurrent IPR petitions with different

prior art to account for PO's different constructions.³ (*See* Paper 3 (identifying parallel petitions against '039 patent).)

PO also repeats its argument that Petitioners should have joined the Meta-MDT-IPR. (PO Br., 16-17.) However, as discussed above, PO filed its original complaint against Petitioners—alleging infringement of four different patents—a mere three weeks before the Meta-MDT-IPR joinder deadline, leaving little opportunity for Petitioners to evaluate PO's claims. PO also asserted substantially more '039 patent claims against Petitioners than against Meta. PO should not be rewarded for its gamesmanship.

E. Factors Six and Seven: The Amount of Additional Work to Be Performed by the Board Is Minimal

Factor six considers “the finite resources of the Board.” Factor seven considers “the requirement under 35 U.S.C. § 316(a)(11) to issue a final determination not later than 1 year after the date on which the Director notices institution of review.” There is little additional work for the Board to do with respect to this Petition. The Board instituted IPR against the '039 patent (and other related patents) previously, and Meta and PO settled just four days before the

³ Notably, with respect to “*application-based information channel*,” PO has taken yet another new claim construction position, which PO never presented in the Meta-MDT-IPR or the MDT-Meta-Litigation.

March 11, 2025 oral argument date. The Board is therefore already familiar with the art raised in this Petition. *See Micron Tech., Inc. v. Sonrai Memory Ltd.*, No. IPR2023-00909, Paper 7, 9 (PTAB Nov. 28, 2023) (“*General Plastic* factors 6 and 7 also weigh against denying institution. The previous IPR terminated after institution due to settlement. ... Because this Petition is now the only IPR before the Board challenging the ’421 patent, we agree with Petitioner that this case provides an efficient means for resolving patentability within one year after institution and does so without unnecessarily straining the Board’s limited resources.”).

PO asserts that Petitioners’ second petition directed to the ’039 patent creates additional undue burden for the Board. (PO Br., 18.) However, PO proposed two different constructions for “*application-based information channel*” that necessitated the filing of two petitions.

VI. Discretionary Denial Is Not Warranted Under *Advanced Bionics*

The Director should decline to exercise discretionary denial under *Advanced Bionics*, as the Board previously did when instituting IPR based on the same references Petitioners cite in this proceeding.⁴ (*See supra* §II.C.2.) As discussed

⁴ Petitioners mistakenly stated in the Petition (at 71) that “none of the asserted references were cited or applied during prosecution and no asserted reference is substantially the same as any art previously presented.” Because the

below, for each of the references cited in the Petition, the relevant *Beckton*, *Dickinson* factors weigh against discretionary denial.

A. Neibauer, Cheng, Squibbs

It is undisputed that the Examiner never applied Neibauer, Cheng, or Squibbs in any ground of rejection during prosecution of the '039 patent. Instead, the Examiner's only acknowledgment of these references was an indication that they were "considered" along with over 360 references submitted by Applicant in Information Disclosure Statements. (*See* EX-1022, 170 & 186 (Neibauer), 199 (Cheng), 312 (Squibbs).) The number of references Applicant submitted is unusually large,⁵ yet Applicant never directed the Examiner to any specific disclosures in any of the IDS references, including, specifically, Neibauer, Cheng, and Squibbs.

new procedures set forth in the Director's March 26, 2025 Memorandum allow PO and Petitioners to each fully brief discretionary denial issues, Petitioners did not believe a correction to the Petition was necessary.

⁵ As the Director noted previously, "[m]ost IDS submissions contain fewer than 25 references. *See Setting and Adjusting Patent Fees During Fiscal Year 2025*, 89 FR 91898 at 91924 (Nov. 20, 2024) ('Approximately 87% of applications contain 50 or fewer applicant-provided items of information, and approximately 77% contain fewer than 25 . . . [O]nly 4% of applications contain more than 200 applicant-provided items of information.')." *Ecto World, LLC v. RAI Strategic Holdings, Inc.*, IPR2024-01280, Paper 13, 7 n.3 (Stewart May 19, 2025).

Under these circumstances, *Becton, Dickinson* factors (c), (e), and (f) demonstrate that the Examiner materially erred in overlooking these references. *See Ecto World*, IPR2024-01280, Paper 13, 5 (“even when the asserted prior art is on an IDS, but the Examiner did not apply the reference,” “a petitioner must explain, with reference to *Becton Dickinson* factors (c), (e), and (f), how the Examiner erred in overlooking the prior art”).

Factor (c) considers “the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection.” As noted above, none of Neibauer, Cheng, and Squibbs served as the basis for rejection during prosecution. Indeed, the Examiner provided no substantive analysis at all for these three references. *See, e.g., Ecto World*, IPR2024-01280, Paper 13, 5 (“a petitioner may argue that it satisfies the second part of *Advanced Bionics* because the asserted prior art was not a basis for rejection during examination ...”); *Therabody, Inc. v. Hyperice IP Subco, LLC*, PGR2024-00053, Paper 8, 9 (PTAB Apr. 21, 2025) (“Despite Mabuchi being presented during prosecution, the fact that Mabuchi was not used as the basis of rejection weighs against exercising discretion to deny institution under § 325(d).”).

Factor (e) considers “whether petitioner has pointed out sufficiently how the examiner erred in its evaluation of the asserted prior art.” Petitioners respectfully submit that the Examiner materially erred in failing to reject the challenged claims

because, as demonstrated in the Petition, Petitioners’ cited prior art—including Neibauer, Cheng, and Squibbs—renders obvious each and every limitation of the challenged claims. (*See* Petition, 9-70.) In particular, the Examiner erred because Petitioners’ prior art renders obvious each of the “*identifying*” [1B], “*determining*” [1C], and “*providing*” [1D] limitations identified as missing from the prior art in the Notice of Allowance. (EX-1022, 305; Petition, 20-39.) In other words, the Examiner erred by ignoring the teachings of Neibauer, Cheng, and Squibbs that “impact patentability of the challenged claims.” *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6, 8 n.9 (PTAB Feb. 13, 2020).

The Examiner’s material error in overlooking the teachings of Neibauer, Cheng, and Squibbs is confirmed by the fact that the Board already instituted IPR of the ’039 patent, concluding that “there is a reasonable likelihood that Petitioner [Meta] will prevail in demonstrating that claim 19 is unpatentable as obvious in view of Neibauer, Cheng, and Squibbs.” *See* IPR2024-00248, Paper 11, 20-26; *see also Therabody*, PGR2024-00053, Paper 8, 10 (“We agree with Petitioner that the Examiner did not identify the pertinence of Mabuchi’s disclosure and did not issue a rejection based on such disclosure or combined teachings, and that this constitutes Examiner error.”).

Relying on the same disclosures identified by Petitioners here, the Board concluded, based on the record before it, that “Neibauer teaches limitation 19a” and that “Petitioner [Meta] sufficiently demonstrates, for purposes of this Decision, that limitations 19b, 19c, and 19d would have been obvious to a person having ordinary skill in the art in light of Neibauer, Cheng, and Squibbs.” *See* IPR2024-00248, Paper 11, 20-26.

As explained in the Petition and shown below, limitations [1B], [1C], and [1D] referenced by the Examiner in the Notice of Allowance are, respectively, substantially the same as limitations [19A], [19B], and [19C]. (Petition, 49-52.) Accordingly, the Board’s prior analysis based on Neibauer, Cheng, and Squibbs applies equally to the independent claim limitations referenced by the Examiner. The Examiner therefore materially erred in allowing the claims to issue.

Claim 1	Claim 19
[1P] A method comprising:	[19P] A method comprising:
[1A] capturing content at a mobile device;	
[1B] identifying a previously established application-based information channel into which the captured content is to be inserted, the identified application-based information channel permitting	[19A] receiving, at a server from a mobile device, content for insertion into a previously established application-based information channel, the previously established application-based information channel permitting

Claim 1	Claim 19
interaction between a user of the mobile device and one or more additional users;	interaction between a user of the mobile device and one or more additional users;
[1C] determining information associated with at least one wireless networking functionality of the mobile device;	[19B] receiving, at the server from the mobile device, information associated with at least one wireless networking functionality of the mobile device;
[1D] providing the captured content from the mobile device to at least one server for insertion in association with the determined information into the identified application-based information channel; and	[19C] integrating the content and the information associated with said at least one wireless networking functionality of the mobile device into the previously established application-based information channel; and
[1E] receiving other content, at the mobile device via the identified application-based information channel, from at least one of the additional users.	[19D] inserting other content from at least one of the additional users into the previously established application-based information channel.

Factor (f) considers “the extent to which additional evidence and facts presented in the petition warrant reconsideration of the prior art or arguments.” If the Director refers the Petition for consideration on the merits, the Board would not be reconsidering prior art arguments previously considered by the Examiner, as Neibauer, Cheng, and Squibbs are “not substantially the same as prior art the

Examiner applied.” *Ecto World*, IPR2024-01280, Paper 13, 5. PO does not argue otherwise. Nor could it.

The only primary reference applied by the Examiner was US Patent Publication 2002/0060246A1 to Gobburu et al., which is directed to “acquiring, maintaining, and using information to be communicated in bar code form with a mobile communications device.” (EX-1043, ¶3; *see also, e.g.*, EX-1022, 160-66, 305.) Neibauer, Cheng, and Squibbs are directed to different subject matter. For example, Petitioners’ primary reference, Neibauer, discloses features of Yahoo! Clubs, including a photo sharing feature, and has nothing to do with using information in bar code form. (EX-1003, 473-83.) Thus, Petitioners’ prior art arguments are different than those raised by the Examiner during prosecution.

Accordingly, *Becton, Dickinson* factors (c), (e), and (f) weigh against exercising discretionary denial based on Neibauer, Cheng, and Squibbs. Because Petitioners’ Ground 1 with these references covers all but one challenged claim, the Director need not consider PO’s *Advanced Bionics* arguments for the remaining prior art references. For completeness, Petitioners will address PO’s arguments.

B. Ausems

Ausems was not considered or cited during prosecution. Petitioners primarily cite Ausems as an additional reference to account for the situation where “PO contend[s] incorporation of digital cameras into mobile devices was not well-

known as of June 2002,” because “Ausems discloses a mobile device that incorporated a digital camera for recording, storing, and transmitting digital images.” (Petition, 18.) If PO concedes that incorporation of digital cameras into mobile devices was known before the ’039 patent, the Board need not consider Ausems for this purpose.

Petitioners also rely on Ausems to show that “each mobile device could have been ‘a *GPS-based navigational device*’ as recited in claim 15.” (Petition, 43.) PO argues that Ausems’ disclosure is cumulative of Squibbs. (PO Br., 26.) But, as noted above, the Examiner provided no substantive analysis of Squibbs; he certainly did not rely on Squibbs’ teaching of “a GPS system built into the cell phone” to reject issued claim 15. (EX-1011, ¶¶98.) Because the Examiner materially erred by failing to consider the teachings of Squibbs during prosecution, PO cannot rely on Squibbs to argue that Ausems is cumulative of previously considered art.

PO’s argument that Ausems is cumulative of Cheng’s teaching of elements like CPU and memory fails for the same reason. (PO Br., 26.) As also discussed above, the Examiner never once discussed Cheng and materially erred by failing to consider Cheng’s teachings during prosecution.

C. Bandera

As in the Meta-MDT-IPR, PO concedes that Bandera was not presented during prosecution. IPR2024-00248, Paper 11, 14 (“there is no dispute that neither

Harvey nor Bandera was considered by the Office”). Instead, PO argues that “Bandera is substantially similar to US 2005/0177645 to Dowling et al., which was before the Examiner.” (PO Br., 27.) PO made this same argument in the Meta-MDT-IPR, also pointing to Dowling ¶64, and the Board rejected it, concluding that Dowling is not substantially the same as Bandera because Dowling does not disclose “that the advertising content is delivered alongside non-advertising content on the same web page.” IPR2024-00248, Paper 11, 14-15. The Director should reach the same conclusion here.

D. Harvey

Petitioners added Harvey to Grounds 3-4 to account for a potential construction of “*application-based information channel*” proposed by Meta in the MDT-Meta-Litigation. (Petition, 8.) PO baselessly accuses Petitioners of abusing the IPR process by doing so. (PO Br., 28.) But PO ignores the fact that the MDT-Meta-Litigation was still pending when Petitioners filed their Petition on January 31, 2025—PO did not settle with Meta until March 2025. IPR2024-00248, Paper 38 (Joint Motion to Terminate). Thus, at the time of Petitioners’ filing, it remained possible that the court in the MDT-Meta-Litigation could adopt Meta’s proposed construction, so Petitioners included Harvey to address the possibility of the court (or the Board) adopting Meta’s proposed litigation construction. However, as Petitioners indicated in the Petition, “[i]f the Board chooses not to adopt that

construction here, it need not consider” the Harvey grounds. (Petition, 8.) Because Meta settled and is no longer pursuing its litigation construction of “*application-based information channel*,” Petitioners agree that Grounds 3-4 need not be considered by the Director or the Board.

VII. Discretionary Denial Is Not Warranted Under *Fintiv*

A. Factor One is Neutral or Favors Petitioners

Factor one considers “whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted.” *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, 6 (PTAB Mar. 20, 2020) (precedential). This factor is neutral because no litigation stay has been requested and no objective evidence exists regarding whether a stay in the litigation will be granted. The Board’s practice is not to speculate regarding how a motion to stay may be decided. *Google LLC v. Mullen Indus. LLC*, IPR2025-00021, Paper 14, 8-9 (PTAB May 14, 2025).

Here, a decision instituting IPR would take place on or around September 11, 2025. The claim construction hearing is scheduled to occur on October 30, 2025. Judge Gilstrap has granted motions to stay filed on similar timelines. *See, e.g., Commc’n Techs., Inc. v. Samsung Elecs. Am., Inc.*, No. 2:21-cv-00444-JRG-RSP, Dkt. No. 134, 1-2 (E.D. Tex. Feb. 2, 2023) (granting motion to stay 13 days before Markman hearing where IPR instituted seven weeks before Markman hearing). Indeed, Judge Gilstrap has stayed cases based on IPR institution even

after a *Markman* hearing where going forward would otherwise “risk[] an inefficient consumption of limited judicial resources.” *Netlist, Inc. v. Micron Tech., Inc.*, No. 2:22-cv-00203-JRG-RSP, Dkt. No. 493, 1 (E.D. Tex. Feb. 10, 2024) (*sua sponte* staying case pending IPR after issuing *Markman* opinion and while summary judgment was pending); *see also STA Grp. LLC v. Motorola Sols., Inc.*, No. 2:22-cv -00381-JRG-RSP, 2024 WL 2852961, *2 (E.D. Tex. June 5, 2024) (granting motion to stay after issuing *Markman* order).

Indeed, Judge Gilstrap routinely grants contested stays in circumstances when all asserted claims of all asserted patents are challenged in the instituted IPRs, recognizing that PTAB review will likely result in simplification of issues before the court. *See, e.g., Resonant Sys., Inc. v. Samsung Elecs. Co.*, No. 2:22-CV-00423-JRG, 2024 WL 1021023, *3 (E.D. Tex. Mar. 8, 2024) (granting stay based on material likelihood of simplification of the issues due to instituted IPR on all asserted claims).

PO wrongly argues that Petitioners’ decision not to file a motion to stay prior to a decision on institution means Judge Gilstrap is unlikely to stay the district court case. (PO Br., 32-35.) Judge Gilstrap routinely stays cases where the motion to stay is first filed after IPR is instituted. *See, e.g., Cellspin Soft, Inc. v. ByteDance Ltd.*, No. 2:23-cv-00496-JRG-RSP, Dkt. No. 106, 5 (E.D. Tex. Jan. 26, 2025); *Broadphone LLC v. Samsung Elecs. Co., Ltd.*, No. 2:23-cv-00001-JRG-

RSP, Dkt. No. 134, 1-2 (E.D. Tex. July 24, 2024); *Commc'n Techs.*, No. 2:21-cv-00444-JRG-RSP, Dkt. No. 134, 1-2. PO's reliance on *Saint Lawrence Commc'ns LLC v. ZTE Corp.*, No. 2:15-cv-349-JRG, 2017 WL 3396399, *2 (E.D. Tex. Jan. 17, 2017) is inapposite. As PO's brief acknowledges, the court criticized the defendant for waiting a month after IPR institution to file its motion to stay. (PO Br., 34.) In contrast, Petitioners anticipate filing a motion to stay within days after institution of its pending IPR petitions.

PO's argument that Petitioners' filing eight months after the PO initiated suit would result in denial of a motion to stay (PO Br., 34) is likewise contrary to Judge Gilstrap's practice. *See, e.g., Harbor Island Dynamic, LLC v. Samsung Elecs. Co., Ltd.*, No. 2:24-CV-00140-JRG-RSP, Dkt. No. 81, 1-2 (E.D. Tex. May 19, 2025) (granting motion to stay where petitions were filed roughly seven months after complaint filed); *Broadphone LLC*, No. 2:23-cv-00001-JRG-RSP, Dkt. No. 134, 1-2 (granting motion to stay where petition was filed 10 months after the suit was initiated). The *Tessera* case relied on by PO is distinguishable. There, the PTAB had yet to render a decision on the IPR petitions. *Tessera Advanced Techs., Inc. v. Samsung Elecs. Co., Ltd.*, No 2:17-cv-00671-JRG, 2018 WL 3472700, *3 (E.D. Tex. July 19, 2018). Indeed, in denying the motion to stay, Judge Gilstrap specifically held that "the proper course is to follow the approach employed by a majority of the district court decisions (and all of the decisions in this district) and

deny the motion for a stay pending a determination by the PTAB as to whether to grant the petition for inter partes review. When that decision is made, the balance of factors bearing on the appropriateness of a stay may be very different, and issuance of a stay may be appropriate.” *Id.*, *4.

PO’s argument that Judge Gilstrap is unlikely to stay the case because the FWD is expected after the trial date (PO Br., 34-35) is further contradicted by numerous recent cases. *See, e.g., Harbor Island Dynamic, LLC*, No. 2:24-CV-00140-JRG-RSP, Dkt. No. 81, 5 (granting motion to stay where trial scheduled to begin January 5, 2026 and FWDs expected in March and April, 2026); *Cellspin Soft, Inc.*, No. 2:23-cv-00496-JRG-RSP, Dkt. No. 106, 5 (granting motion to stay where trial was scheduled to begin August 4, 2025 and FWDs were expected in September and October 2025); *Broadphone LLC*, No. 2:23-cv-00001-JRG-RSP, Dkt. No. 54, 4-6 (granting motion to stay case where trial was scheduled to start on February 10, 2025 notwithstanding expected FWD date in May 2025).

Finally, PO fails to acknowledge that Judge Gilstrap almost always grants uncontested motions to stay pending IPR. Specifically, Judge Gilstrap has granted over 88% (38/43) uncontested motions to stay pending IPR presented since 2014. (EX-1044 (Docket Navigator Statistics for Judge Gilstrap).) If Petitioners’ IPR Petitions are instituted, PO cannot credibly oppose a stay. Indeed, PO requested a stay of the MDT-Meta-Litigation pending IPR while the petitions were still

pending. (EX-1045.) Specifically, PO told the court that it “believes that the institution decisions and any [Final Written Decisions] will simpl[if]y the issues in the case whether the IPRs are instituted, not instituted, or partially instituted. In other words, any outcome from the PTAB will streamline the relevant issues in this proceeding.” *Id.*, 5.

Thus, at bottom, whether the parallel case will be stayed is still to be determined and the Board “will not attempt to predict how the district court ... will proceed” regarding potential stays “because the court may determine whether or not to stay any individual case ... based on a variety of circumstances and facts.” *Sand Revolution II, LLC v. Cont’l Intermodal Grp.-Trucking LLC*, IPR2019-01393, Paper 24, 7 (PTAB Jun. 16, 2020); *see also Hulu, LLC v. SITO Mobile R&D IP, LLC*, IPR2021-00298, Paper 11,11 (PTAB May 19, 2021) (because “neither party has produced evidence that a stay has been requested[,]” “[w]e decline to infer, based on actions taken in a different case with different facts, how the District Court would rule should a stay be requested by the parties in the parallel case here.”) (partially quoting *Fintiv*).

B. Factor Two: The District Court’s Trial Date Is Uncertain

Factor two considers the “proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision.” *Fintiv*, IPR2020-00019, Paper 11, 6. The district court litigation is currently scheduled for trial on April 20,

2026 (EX-2016), which is approximately five months before the Board would issue a final written decision if institution is granted. This date, however, is hardly certain—as it currently stands, Judge Gilstrap has a total of 10 patent infringement trials set for the week of April 20, 2026 and 7 patent infringement trials scheduled for April 6, 2026. (EX-1046.) So it is unlikely that Petitioners will proceed to trial at that time.

Statistics maintained by the “United States District Court – Judicial Caseload Profile” indicate that, as of March 31, 2025, the median time to trial in civil cases in the Eastern District of Texas is 25.9 months.⁶ (EX-1047, 35.) This projects a trial date around August 10, 2026, roughly one month before the expected FWD date. Where the district court trial is expected to take place around one month before the FWD date, the Board generally considers this factor neutral, “not weigh[ing] for or against exercising [] discretion to deny institution.” *See, e.g., Hulu LLC v. SITO Mobile R&D IP, LLC*, IPR2021-00158, Paper 9, 9-10 (granting institution where FWD was 1 month after anticipated trial date, reasoning

⁶ PO wrongly contends that the September 30, 2024 statistics (which state the median time to trial is 21.9 months) represent “[t]he most recent statistics” available. (PO Br., 37.) In any event, the data presented by PO (which is based on statistics as of September 30) and the most recent data (which is based on statistics as of March 31) each demonstrate that the median time to trial in the Eastern District is increasing.

that where trial date and FWD data are at or around same time, efficiency and fairness concerns are not particularly strong and other factors should be considered); *Neumodx Molecular, Inc. v. Handylab, Inc.*, IPR2020-01132, Paper 20, 13 (granting institution where FWD was expected 11 days after anticipated trial date); *Netapp, Inc. v. Proven Networks, LLC*, IPR2020-01436, Paper 11, 11-12 (granting institution where FWD was expected one month after anticipated trial date). The new USDC statistics moot PO's reliance on *SAP Am., Inc. v. Cyandia, Inc.*, IPR2024-01496, Paper 13, 5-6 (PTAB Apr. 7, 2025), which found that factor 2 weighs in favor of discretionary denial where trial was expected about *four* months before the FWD. (PO Br., 38.) Even taking PO's outdated statistics as fact, PO's *SAP* argument fails because it omits that Petitioner argued in its briefing that the trial date would change because it had sought transfer (which was denied before the Board's decision) – not because of court congestion. *SAP Am.*, IPR2024-01496, Paper 13, 6. And, in any event, the Board has previously instituted IPR even in cases where the FWD issues four months after the projected trial date. *See, e.g., Zynga, Inc. v. IGT*, IPR2022-00199, Paper 11, 14 (PTAB June 14, 2022) (citing *Fintiv*, IPR2020-00019, Paper 11, 9) (instituting trial while weighing this factor as “slightly in favor of discretionary denial” where trial was scheduled four months before FWD); *Samsung Elecs. Co., Ltd. v. CardWare Inc.*, IPR2023-00211, Paper 13, 10 (PTAB Jun. 13, 2023) (instituting trial while

weighing this factor as “marginally in favor of discretionary denial” when trial scheduled four months before FWD); *Nokia of Am. Corp. v. IPCOM, GmbH & Co. KG*, IPR2021-00533, Paper 10, 9 (PTAB Aug. 12, 2021) (instituting trial while weighing this factor as “slightly in favor of exercising discretion to deny institution” when trial may occur four months before FWD); *Cellco P’ship v. Huawei Device Co., Ltd.*, IPR2020-01117, Paper 10, 18-20 (PTAB Feb. 3, 2021) (instituting trial while weighing this factor as “slightly in favor of exercising our discretion to deny institution” when trial was scheduled four months before FWD).

Further weighing against discretionary denial, the USPTO took almost six weeks to issue the Notice of Filing Date Accorded to Petition (Paper 7). This stands in contrast to the roughly 20 days the Board was typically taking to issue such Notices over a studied three month period in 2024 and the 19 day historical average timeframe. (EX-1051, 2.)¹ This delay was entirely outside Petitioners’ control and should not weigh in favor of discretionary denial. Had the notice issued in the historical average timeframe, the expected FWD date would have fallen within a week of the projected August 10, 2026 trial date, well within the bounds of what the Board has previously considered “around the same time as [the] deadline to reach a final decision.” *See Neumodx Molecular*, IPR2020-01132, Paper 20, 13 (granting institution where FWD was expected 11 days after anticipated trial date).

Thus, at most, Factor 2 is neutral. Indeed, one study found that, when the Board exercised discretionary denial based on future trial dates, the Board incorrectly guessed the actual trial date 94% of the time (48 out of 51 discretionary denials). (EX-1048, 2.) Even the Board has previously noted that “scheduled trial dates are unreliable and often change.” (EX-1049, 8)

C. Factor Three: Little Investment Relating to Invalidity Will Have Occurred in the Litigation by the Institution Deadline

The consideration of investment in parallel litigation focuses on efforts relating to invalidity issues raised in the Petition—not on litigation efforts generally. *See, e.g., Apple, Inc. v. Koss Corp.*, IPR2021-00381, Paper 15, 16 (PTAB July 2, 2021) (“On the current record, the District Court Lawsuit is still in the early stages, with very little investment pertaining to the invalidity issues raised in the Petition.”); *Dell Techs. Inc. v. WSOU Investments, LLC*, IPR2021-00272, Paper 13, 10 (PTAB July 1, 2021) (“much of [the parties’] invested effort is unconnected to the patentability challenges presented here”); *Hulu, LLC*, IPR2021-00158, Paper 9, 11 (“Based on the present record, we are persuaded by Petitioner’s showing that the district court and the parties have not invested substantially in the merits of the invalidity positions.”)

Here, by the September 2025 institution deadline, the amount of work related to invalidity in the district court litigation will remain minimal. To date, as PO concedes, the only invalidity-specific work is service of infringement and

invalidity contentions and Petitioners' service of third-party subpoenas. (*See* PO Br., 39.) Even by September 2025, "substantial work [will] remain[] to be done **as it relates to invalidity**: fact discovery is in its early stages, expert reports are not yet due, and substantive motion practice is yet to come." *Dell*, IPR2021-00272, Paper 13, 10 (emphasis added); *see also* EX-2016, 3-4 (fact discovery, expert report, and dispositive motion deadlines all occurring after September 2025).

PO wrongly contends that factor 3 is neutral where, as here, an institution decision will occur before a Markman hearing. Rather, under similar circumstances, the PTAB has found this factor to weigh against denying institution. *Snap, Inc. v. SRK Tech. LLC*, IPR2020-00820, Paper 15, 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, 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., Ltd. v. Headwater Rsch. LLC*, IPR2024-01396, Paper 13, 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, 12-13

(PTAB Mar. 5, 2025) (weighing against denial and instituting in absence of claim construction and other substantive orders from district court).

Moreover, the district court has not issued any substantive order with respect to the '039 patent and no such substantive orders are expected prior to institution. *Fintiv*, IPR2020-00019, Paper 11, 9 (“If, at the time of the institution decision, the district court has not issued orders related to the patent at issue in the petition, this fact weighs against exercising discretion to deny institution.”).

Under this factor, PO complains again that Petitioners should have joined the Meta-MDT-IPR or filed the Petition earlier. (PO Br., 40.) As explained in *supra* §I, due to PO’s strategic filing of the complaint against Petitioners just weeks before the Meta-MDT-IPR joinder deadline, Petitioners were given inadequate time to evaluate PO’s claims before that deadline passed. Nor did Petitioners have the ability to assess whether to join with the benefit of infringement contentions. *Fintiv*, IPR2020-00019, Paper 11, 11 (“[I]t is often reasonable for a petitioner to wait to file its petition until it learns which claims are being asserted against it in the parallel proceeding.”) And, as explained in *supra* §V.D., Petitioners justifiably waited to file the Petition to see if PO would shift any

of its claim construction positions; PO did precisely that in the Meta-MDT-IPR, proposing a new and narrower construction for “*mobile device*.”

Accordingly, factor three weighs against discretionary denial.

D. Factor Four: Petitioners’ *Sotera* Stipulation Removes Any Overlap With the Litigation

On April 18, 2025, Petitioners stipulated, consistent with *Sotera*, “that if the [PTAB] institutes an *inter partes* review (‘IPR’) in either or both of IPR2025-00535 and IPR2025-00536 concerning U.S. Patent No. 9,032,039, then Samsung will not pursue in this litigation the grounds raised or any other grounds that could have reasonably been raised before the PTAB in the instituted proceeding(s).” EX-2032. With this stipulation, *Fintiv* factor four weighs against discretionary denial.

PO raises procedural and substantive challenges to Petitioners’ *Sotera* stipulation, both of which are meritless. Procedurally, PO argues that, because Petitioners have not yet filed their *Sotera* petition (Petitioners await permission from the Board to do so), “Petitioners have deprived Patent Owner of its strategic advantage” to address the stipulation. (PO Br., 43.) According to FAQs for Interim Processes for PTAB Workload Management (“the April 2025 FAQs”), the purpose of filing a *Sotera* stipulation “as soon as practicable” is “so that a patent owner may address the impact of the stipulation in its discretionary denial brief.” April 2025 FAQs, Q-14. PO indisputably had an opportunity to—and did—address

Petitioners’ stipulation in its discretionary denial brief. Thus, there is no prejudice to PO, and its procedural argument should be rejected.⁷

Furthermore, PO presently asserts 70 claims in six asserted patents in the co-pending litigation. PO will doubtlessly narrow its case in the district court prior to trial—meaning that there will be claims addressed in the IPR proceedings that will not be addressed by the district court.

Substantively, PO contends that Petitioners’ *Sotera* stipulation will not reduce overlap in proceedings because, in their preliminary invalidity contentions, Petitioners have asserted the Yahoo! as product prior art in the litigation. (PO Br., 44.) PO’s argument assumes that, if institution is granted, Petitioners will present Yahoo! as product prior art in their expert reports and at trial. But this is pure speculation on PO’s part. Aside from Yahoo!, Petitioners have identified eight other prior art systems in their invalidity contentions. (EX-2027, 20-21.)

Petitioners have not decided what prior art they will ultimately pursue in the district court case, particularly given that Petitioners’ invalidity expert report is not

⁷ PO claims that Petitioners’ *Sotera* stipulation is a “proposed draft.” (PO Br., 43 n.13.) Not so. The April 18, 2025 letter from Petitioners’ counsel is clear and unwavering; there is no indication that the stipulation is simply a draft for consideration that is subject to change. (EX-2032.) Once granted permission, Petitioners will file an exact copy of the *Sotera* stipulation already provided to PO.

due until December 1, 2025. (EX-2016, 4.) Thus, rather than having the Director guess what product prior art Petitioners might present at trial and whether there is overlap with the printed publications in this proceeding, the application of Petitioners' *Sotera* stipulation is a question to be resolved by the district court, who will know precisely what prior art defenses Petitioners will be pursuing at trial.

Moreover, the Federal Circuit's recent decision in *Ingenico Inc. v. IOENGINE, LLC*, 136 F.4th 1354, 1366-67 (Fed. Cir. May 7, 2025) rejected the notion that estoppel applies to on-sale or public use prior art that is essentially duplicative of patent or publication prior art. Specifically, the panel held that "IPR estoppel does not preclude a petitioner from relying on the same patents and printed publications as evidence in asserting a ground that could not be raised during the IPR, such as that the claimed invention was known or used by others, on sale, or in public use." *Id.*

E. Factor Five: Petitioners Are Defendants in the E.D. Texas Litigation

Petitioners agree that they are defendants in the E.D. Texas litigation.

F. Factor Six: Other Circumstances Weigh Against Discretionary Denial

Factor six considers "other circumstances that impact the Board's exercise of discretion, including the merits." Petitioners address here the relevant considerations from the Director's March 26, 2025 Memorandum.

1. The Petition Presents a Compelling Case of Unpatentability

As discussed above (§VI.A), Petitioners' prior art challenge is strong, as evidenced by the Board's prior conclusion that "there is a reasonable likelihood that Petitioner [Meta] will prevail in demonstrating that claim 19 is unpatentable as obvious in view of Neibauer, Cheng, and Squibbs." *See* IPR2024-00248, Paper 11, 20-26. PO's arguments do not demonstrate otherwise.

PO argues that Petitioners' prior art challenge is weak as to limitation [1B] because, according to PO, "a user [in Neibauer] utilizes the Yahoo! website to further access and use the web-based Yahoo! Clubs feature for the sharing of content, in contrast to an 'application-based information channel,' as generally claimed." (PO Br., 56.) PO, however, provides no basis—in the intrinsic record, the prior art, or otherwise—to distinguish Neibauer's web-based photo sharing feature from an "*application-based information channel*" in the '039 patent.⁸ Nor does PO propose a claim construction that would support such a distinction.

The only evidence of record is to the contrary. Petitioners' expert, Dr. Houh, explains that the features of Yahoo! Clubs are "*application-based*" as used in the '039 patent: "[Neibauer's] club photo sharing feature is provided by **one or more software programs or applications** running on the web server, and the **web**

⁸ PO never raised this argument in the Meta-MDT-IPR.

browser application running on the club member’s mobile device, which allows club members to interact with and use the club photo sharing feature. The club photo sharing feature thus is an ‘*application-based information channel*,’ as claimed.” (EX-1002, ¶146.) Relying on substantially the same expert testimony Petitioners provide here, the Board previously confirmed that “the photo sharing feature of the Yahoo! club is, on the present record, ... the ‘application-based information channel’ of claim 19.” IPR2024-00248, Paper 11, 22 (citing Meta-EX-1002, ¶90); *compare* IPR2024-00248, Paper 11, Meta-EX-1002, ¶90, *with* EX-1002 (Houh Decl.), ¶146. Notably, Dr. Houh’s testimony and the Board’s ruling on institution is consistent with PO’s own construction of term, which is “computer program-based medium for transferring information.” (Petition, 6.)

PO argues that the remaining references do not cure the alleged deficiencies of Neibauer with respect to limitation [1B]. (PO Br., 57-58.) As PO acknowledges, however, Petitioners do not rely on those references for limitation [1B]. (PO Br., 58; *see also* Petition, 20-21.) PO’s arguments are irrelevant.⁹

⁹ PO also argues that “Harvey does not cure the deficiencies in Grounds 1 and 2.” (PO Br., 58.) As discussed above, because Meta settled and is no longer pursuing its MDT-Meta-Litigation construction of “*application-based information channel*,” the Director and the Board need not consider Harvey Grounds 3-4.

2. PO Should Not Be Permitted to Game the System.

PO repeatedly accuses Petitioners of “abus[ing] the IPR process” in at least the following ways:

- By declining to attempt to join the instituted IPR proceeding against the ’039 patent despite not having MDT’s infringement contentions (which assert claims not challenged in the Meta-MDT-IPR). (PO Br., 16-18, 40.)
- By filing two petitions. (PO Br., 47-48.)
- By ranking its two petitions on the ’039 patent in a manner different from its ranking as to the other challenged patents. (PO Br., 48.)

For example, PO argues that Petitioners “deprived Patent Owner of its strategic advantage” and that Petitioners’ “abuse of the IPR process should not be rewarded.” (PO Br., 43, 48; *see also id.*, 58 (“Petitioners’ abuse of the IPR process”). PO also argues that the Petition lacks merit. (PO Br., 54-60.)

But it is PO who has “gamed” the system by terminating the Meta-MDT-IPR mere days before oral argument due to settlement. On May 16, 2025, Petitioners asked PO to consent to Petitioners’ filing of the Settlement Agreement as a sealed exhibit with this response. PO refused via email. The parties met and conferred on May 23, 2025 and reached an impasse on the issue.

Because motions cannot be filed without authorization (*see* 37 C.F.R. §42.20), Petitioners emailed the Board on May 28, 2025 and asked for permission

to file a motion to compel production of the Settlement Agreement through the routine discovery rules that obligate PO to produce information inconsistent with a position advanced by PO in its opening brief. *See* 37 C.F.R. §42.51(b)(1)(iii). Despite the fact that Petitioners were prohibited from including substantive argument in their email to the Board seeking authorization to file their motion to compel,¹⁰ on May 29, 2025, the Board denied Petitioners' request, stating that, "Petitioner has not provided sufficient relevance of the requested discovery to the Director's discretionary considerations." (EX-3101.) The Board, however, acknowledged that "[m]indful of any protective orders, Petitioner may discuss any fact or circumstance they believe bears on the Director's discretion to institute, including what it believes to be inconsistent positions in Patent Owner's discretionary denial brief, in its opposition." *Id.*

By settling on the eve of trial, it is reasonable to infer that PO settled the Meta-MDT-IPR proceedings because it knew that Meta's arguments were strong on the merits and that it settled to avoid an adverse final written decision finding the challenged claims unpatentable. *See, e.g., My Health, Inc. v. ALR Techs., Inc.,*

¹⁰ *See* U.S. Patent & Trademark Office, Patent Trial and Appeal Board Boardside Chat: AIA Motions Practice, 7 (March 18, 2021), https://www.uspto.gov/sites/default/files/documents/ptab_boardside_chat_aia_motions_practice_20210318.pdf.

No. 2:16-cv-00535-RWS-RSP, 2017 WL 6512221, *5 (E.D. Tex. Dec. 19, 2017), *report and recommendation adopted*, 2018 WL 11327219 (E.D. Tex. Nov. 30, 2018) (quoting *SFA Sys., LLC v. Newegg Inc.*, 793 F.3d 1344, 1350 (Fed. Cir. 2015)) (noting, in a ruling finding the case exceptional, that patent owner’s practice of settling cases “right on the cusp of a merits determination ... supports the conclusion that [patent owner] was filing lawsuits ‘for the sole purpose of forcing settlements, with no intention of testing the merits of [the] claims’”). Indeed, if it felt it had a strong case on the merits, PO should have proceeded to a final written decision, which would have all but necessitated denial of this petition on §325(d) grounds.

3. No Forum Has Adjudicated the Validity of the Challenged Claims

That no forum has adjudicated the validity of the challenged claims of the ’039 patent weighs against discretionary denial. The Board has already found that there is a reasonable likelihood that at least claim 19 is invalid based on *Neibauer*, *Cheng*, and *Squibbs*. *See* IPR2024-00248, Paper 11, 20-26. Given this prior finding, allowing these suspect claims to stand unchallenged directly contradicts the purpose for which Congress created IPRs—“improving patent quality and providing a more efficient system for challenging patents that should not have issued.” House Report, 39-40.

4. Settled Expectations Weigh Against Discretionary Denial

The parties' settled expectations weigh against discretionary denial.

Petitioners first introduced the Samsung Members application that PO accuses of infringement in April 2016.¹¹ (EX-1035, ¶27; EX-1050.) Despite this, neither PO nor its predecessor¹² ever asserted the '039 patent against Petitioners during the life of the patent, which issued on May 12, 2015 and expired in June 2023.¹³ (*See* EX-1001; PO Br., 46.) PO instead waited until June 2024 to sue (EX-1041)—a full year after the patent expired, and over eight years after Petitioners first introduced Samsung Members. Petitioners thus had no reason to believe they would be sued for infringement of the '039 patent and relied on these settled expectations for many years.

¹¹ The core functionality PO accuses of infringement—users sharing content with each other on mobile phones—existed as of April 2016. (*Compare* EX-1035, ¶27 (“Connect and share with others in the community”), *with* EX-1050, 3 (“Community provides a forum for Galaxy users around the world to talk freely with each other about anything related to Samsung products.”)).

¹² PO obtained ownership of the '039 patent on April 1, 2022. (EX-1036.)

¹³ PO asserts that it had settled expectations because “the challenged claims were in force since 2015 ... ” (PO. Br., 46), but PO did not acquire the '039 patent until April 1, 2022 (EX-1036).

Not only did the Board find Neibauer persuasive during the Meta-MDT-IPR, it was also relied upon by the USPTO in a reexamination rejecting all claims of a related patent, 8,135,801 B2 (“the ’801 patent). (EX-1024, 4.) The Examiner found, and the Board affirmed, that all claims of the ’801 patent were either anticipated or rendered obvious by Neibauer. (EX-1024, 14.) The ’801 patent is a parent of the ’039 patent, sharing a similar specification and claims directed to the same general invention. Thus, to the extent there were any settled expectations of the parties concerning the validity of the ’039 patent, such expectations included that the patents were, at most, of questionably validity.

5. Petitioners’ Reliance on Expert Testimony Provides Helpful Context to the Board

Petitioners’ expert declaration provides helpful information regarding the unpatentability of the challenged claims. Indeed, Petitioners’ expert declaration provides the same level of detail as Meta’s expert’s declaration, which the Board found helpful when instituting IPR against the ’039 patent. *See* IPR2024-00248, Paper 11, 20-24 (citing 11 times to Meta’s expert declaration, EX-1002). PO complains that Petitioners supposedly failed to follow the guidance set forth in the Board’s April 25, 2025 FAQ-21 regarding the relationship between a petition’s reliance on expert testimony and the Board’s discretion to institute IPR. (*See* PO Br., 49.) PO’s arguments should be rejected.

First, PO faults Petitioners for not considering the Board’s FAQs in the Petition, but of course Petitioners could not have done so—the Petition was filed on January 31, 2025, nearly three months before the FAQs were published. Regardless, Meta’s petition, filed December 6, 2023, also preceded the April 2025 FAQs, and the Board instituted IPR based on the same level of expert testimony presented here.

Second, the Petition’s reliance on expert testimony does not mandate discretionary denial. Instead, the Board’s FAQ-21 states only that “extensive reliance on expert testimony ... *may* suggest that the questions are better resolved in an Article III court.” April 2025 FAQs, Q-21. Under the specific facts of this case, Petitioners’ reliance on expert testimony is appropriate and helpful; as noted above, the Board previously cited similar testimony from Meta’s expert helpful in deciding to institute IPR.

That the Board found the level of detail in Meta’s expert declaration (and, by extension, in Petitioners’ declaration) helpful is also consistent with the *Consolidated Trial Practice Guide* (“CTPG”), which states:

Expert testimony may have many uses. For example, it may be used to explain the relevant technology to the panel. It may also be used to establish the level of skill in the art and describe the person of ordinary skill in the art. Experts may testify about the teachings of the prior art and how they relate to the patentability of the challenged claims. Expert testimony may also be offered on the issue of whether there would have been a reason to combine the teachings of references in a certain way, or if there may have been a reasonable expectation of success in doing so.

CTPG, 34-35.

Petitioners' expert declaration, like Meta's in the Meta-MDT-IPR, helpfully addresses many of these uses. For example, Dr. Houh identifies the qualifications and experience of a POSITA. (EX-1002, ¶¶32-33.) He explains the teachings of the prior art (*see, e.g.*, EX-1002, ¶¶49-89 (Ground 1)) and how they invalidate the challenged claims (EX-1002, ¶¶123-228 (Ground 1)). He also details why a POSITA would have been motivated to combine the prior art and why there would be a reasonable expectation of success in doing so. (EX-1002, ¶¶90-122.) In short, Dr. Houh's expert declaration provides "helpful context" regarding the prior art (April 2025 FAQs, Q-21) and addresses key issues relating to the unpatentability of the challenged claims of the '039 patent.

Third, focusing only on limitation [1B], PO incorrectly asserts that "Petitioners' expert testimony is not focused to providing helpful context." (PO

Br., 52.) As with the merits argument above, PO argues that Petitioners' expert does not explain "why Neibauer's clubs that are merely 'a webpage on the Yahoo! Website' would be understood to be an application." (PO Br., 49-52.) This argument fails for the same reasons. Again, nothing in the record supports PO's argument that an "*application-based information channel*" excludes a web application like Yahoo! Clubs, and PO has never sought such a construction of the term. To the contrary, Dr. Houh provided helpful testimony explaining how the web-based Yahoo! Clubs is an "*application-based information channel*." (EX-1002, ¶146.) The Board found similar testimony from Meta's expert to be persuasive at the institution stage. IPR2024-00248, Paper 11, 22.

Fourth, PO argues that the Petition should be denied based on the number of times Petitioners cited to the expert declaration. (PO Br., 52.) To support this, PO states that "Petitioners' [sic] cite to Neibauer fewer than 50 times, whereas Petitioners cite their expert's testimony to support their limitation-by-limitation analysis more than 150 times." (*Id.*) PO's numbers comparison is misleading. Most importantly, PO fails to acknowledge that many of Petitioners' expert declaration citations address multiple motivations to combine the prior art, specifically: (1) Neibauer and Cheng (Petition, 15-19); (2) Neibauer, Cheng, and Ausems (Petition, 19-20); (3) Neibauer, Cheng, Ausems, and Squibbs (Petition, 31-36); and (4) Ground 1 prior art with Bandera (Petition, 64-66). As noted above, expert

testimony regarding motivations to combine is expressly contemplated by the Consolidated Trial Practice Guide. *See* CTPG, 34-35. Additionally, PO's comparison also ignores that Petitioners rely on four references aside from Neibauer; PO tellingly makes no mention of Petitioners' citations regarding those references.

PO lastly points to Petitioners' citation to six paragraphs in the expert declaration (out of 251 total) as alleged violations of the rule against incorporation by reference. (PO Br., 53-54.) PO is wrong. "One purpose of the prohibition against incorporation by reference is to eliminate abuses that arise from incorporation." *Cisco Sys., Inc. v. C-Cation Techs. LLC*, IPR2014-00454, Paper 12, 10 (PTAB Aug. 29, 2014). "One of the abuses that arise from incorporation by reference is a pointless imposition on the Board's time." *Avant Tech., Inc. v. Anza Tech., Inc.*, IPR2018-00828, Paper 7, 16 (PTAB Oct. 16, 2018). There is no such abuse here. Petitioners clearly identify the issues to which the expert testimony identified by PO are relevant (limitations [1A] and [1B])—the Board need not guess the purpose of such testimony. Indeed, the Board already relied on similar testimony from Meta's expert to institute the Meta-MDT-IPR.

VIII. Conclusion

For the reasons above, Petitioners respectfully submit that discretionary denial is inappropriate. The Director should refer the Petition to a three-member panel for consideration on the merits.

Date: June 11, 2025

Respectfully submitted,

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CERTIFICATE OF WORD COUNT UNDER 37 CFR §42.24(d)

Pursuant to 37 C.F.R. § 42.24(d), the undersigned certifies that this Opposition to Patent Owner's Discretionary Denial Brief complies with the type-volume limits of the March 26 Stewart Memorandum because it contains 13,249 words according to the word-processing system used to prepare this Opposition, excluding the words in the Table of Contents, Table of Authorities, List of Exhibits, Certification Under §42.24(d), and Certificate of Service. This word count was prepared using Microsoft Word.

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CERTIFICATE OF SERVICE

The undersigned certifies that a true copy of Petitioners' Response to Patent Owner's Discretionary Denial Brief and any new exhibits identified in the above Table of Exhibits have been served on the Patent Owner via e-mail to the following counsel of record:

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