

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

v.

OS-NEW HORIZON PERSONAL COMPUTING SOLUTIONS LTD.,
Patent Owner.

Case No. IPR2025-00613
U.S. Patent No. 8.401,875

PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL

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2001	<i>OS-New Horizon Personal Computing Solutions Ltd. v. Samsung Electronics Co. Ltd. et al.</i> , No. 2:24-cv-00634-JRG-RSP (E.D. Tex.), Docket Control Order (Dkt. No. 23) (“Docket Control Order”)
2002	<i>OS-New Horizon Personal Computing Solutions Ltd. v. Samsung Electronics Co. Ltd. et al.</i> , No. 2:24-cv-00634-JRG-RSP (E.D. Tex.), Complaint (Dkt. No. 1) (“Complaint”)
2003	<i>OS-New Horizon Personal Computing Solutions Ltd. v. Samsung Electronics Co. Ltd. et al.</i> , No. 2:24-cv-00634-JRG-RSP (E.D. Tex.), Samsung Electronics America, Inc. and Samsung Electronics Co., Ltd.’s Invalidity Contentions dated January 16, 2025 (“Invalidity Contentions”)
2004	<i>OS-New Horizon Personal Computing Solutions Ltd. v. Samsung Electronics Co. Ltd. et al.</i> , No. 2:24-cv-00634-JRG-RSP (E.D. Tex.), Civil Docket (“Docket”)
2005	United States District Courts—National Judicial Caseload Profile for 12-month period ending December 31, 2024; available at https://www.uscourts.gov/data-news/reports/statistical-reports/federal-court-management-statistics (“Federal Court Management Statistics”)

In accordance with Acting Director Steward’s March 26, 2025 Guidance Memorandum titled “Interim Processes for PTAB Workload Management” (“Guidance”), Patent Owner OS-New Horizon Personal Computing Solutions Ltd. (“Patent Owner” or “OSNH”) respectfully requests that the Director exercise her discretion and deny institution of the Petition for *Inter Partes* Review challenging claims 1, 4, 7, 10, 14, 15, 18 and 19 of U.S. Patent No. 8,401,875 (“the ‘875 Patent”) filed by Petitioners Samsung Electronics Co. Ltd. (“Samsung Ltd.”) and Samsung Electronics America, Inc. (“Samsung America”) (collectively, “Petitioners” or “Samsung”). The district court in the parties’ parallel litigation, has already scheduled a jury trial on the ‘875 Patent that will commence *almost four months before* the expected date of the Final Written Decision in this IPR. Because maintaining this proceeding when the validity of the ‘875 Patent will have already been decided by the district court is an inefficient use of the USPTO’s and parties’ time and resources, institution should respectfully be denied.¹

¹ Patent Owner’s Request for Discretionary Denial is filed within two months of March 20, 2025, the date on which the Board entered a Notice of Filing Date Accorded in this IPR. *See* Paper 6.

I. INTRODUCTION

This Petition presents a textbook case for discretionary denial under 35 U.S.C. § 314(a). Patent Owner and Petitioners are currently involved in an ongoing, advanced parallel district court litigation in the Eastern District of Texas,² a case that was filed by Patent Owner nearly 10 months ago. The Texas Litigation has a trial date set for *June 1, 2026*—*nearly four full months before the expected date for a final written decision in this IPR*. As explained further below, each of the six *Fintiv* factors support discretionary denial here:

- **Factor 1 (likelihood of stay)** – the Texas Litigation is not stayed and no stays have ever been requested by the parties;
- **Factor 2 (trial date)** – the Final Written Decision in this IPR (expected approximately September 20, 2026) will issue *nearly four months after* trial in the Texas Litigation (set to commence June 1, 2026);
- **Factor 3 (investment in parallel proceeding)** – the Texas Litigation has advanced well beyond the early stages, the parties have already expended significant resources, and the parties will continue to expend significant resources over the next 4 months before institution of this IPR;

² See *OS-New Horizon Personal Computing Solutions Ltd. v. Samsung Electronics Co. Ltd. et al.*, No. 2:24-cv-00634-JRG-RSP (E.D. Tex.) (the “Texas Litigation”).

- **Factor 4 (overlapping issues)** – the issues in the Texas Litigation overlap significantly with the invalidity challenges here, including presenting the same art and arguments in both proceedings;
- **Factor 5 (overlapping parties)** – the parties in each proceeding are identical, *i.e.*, Patent Owner is the plaintiff and Petitioners are the defendants in the Texas Litigation;
- **Factor 6 (other considerations)** – in addition to the relative weakness of the Petition, other relevant considerations outlined in the Guidance, including “[t]he extent of the petition’s reliance on expert testimony,” the “[s]ettled expectations of the parties,” and “other considerations” favor denial.

On balance, the *Fintiv* Factors strongly favor denial here. Accordingly, Patent Owner respectfully requests that the Director exercise her discretion under 35 U.S.C. § 314(a) to deny institution of this proceeding.³

³ By submitting this Request for Discretionary Denial, no waiver of any argument is intended by Patent Owner. Patent Owner will file its Preliminary Response to the Petition addressing the merits of the Petition and other non-discretionary statutory considerations within three months from the date of the PTAB’s Notice of Filing Date Accorded and, should institution be granted, will file a Patent Owner

Additionally, the Director should deny the Petition under 35 U.S.C. § 325(d) because the Petition relies on prior art and arguments that were previously considered by the USPTO during prosecution. Grounds 1 and 2 of the Petition, which include Petitioners’ challenges to 8 of the 12 total challenged claims, are premised on Moran (Ex.1008). That reference was, however, heavily considered during prosecution of the ‘875 Patent and the claims were allowed to issue over it. Accordingly, the Director should therefore exercise her discretion to deny institution under 35 U.S.C. § 325(d).

II. THE BOARD SHOULD EXERCISE ITS DISCRETION TO DENY INSTITUTION OF THE PETITION

A. The Director Should Deny Institution Under 35 U.S.C. § 314(a)

The Director should deny institution under 35 U.S.C. § 314(a) because the *Fintiv* factors weigh in favor of discretionary denial. It is well-settled that institution of IPR is discretionary. *See Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“the PTO is permitted, but never compelled, to institute an IPR proceeding”). Section 314(a) provides the Director with discretion to deny a petition. *See* 35 U.S.C. § 314(a) (“[t]he Director may not authorize an *inter partes* to be instituted unless...”); *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S.

Response according to the PTAB’s Scheduling Order. *See* 37 C.F.R. § 42.107; 37 C.F.R. § 42.120; Guidance at 2.

261, 273 (2016) (“[T]he agency’s decision to deny a petition is a matter committed to the Patent Office’s discretion.”). In determining whether to exercise discretion to deny institution, the Director “consider[s] the effect of any such regulation [under this section] on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings instituted under this chapter.” 35 U.S.C. § 316(b).

The Director has discretion under 35 U.S.C. § 314(a) to deny institution based on efficiency considerations that stem from parallel proceedings on the same patent. *See NHK Spring Co. v. Intri-Plex, Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential) (“*NHK Spring*”). The PTAB considers six factors for determining whether discretionary denial due to efficiency considerations relating to parallel proceedings is appropriate (the “*Fintiv* factors”):

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the Petition and in the parallel proceeding;

5. whether the petitioner and the defendant in the parallel proceeding are the same party; and

6. other circumstances that impact the Board’s exercise of discretion, including the merits.

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 5-6 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”). As the Board explained in *Fintiv*, “[t]hese factors relate to whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding.” *Id.* In evaluating these factors, the Board takes “a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.*

Here, a compelling case exists for denying IPR institution as all six *Fintiv* factors strongly favor discretionary denial.

1. Factor 1 Weighs in Favor of Denial Because The Texas Litigation Is Not Stayed

The first *Fintiv* Factor—which considers whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted—indisputably favors denial of institution in this case.

The Texas Litigation is not stayed. Despite the fact that the Petition in this IPR was filed 3 months ago on February 20, 2025, ***Petitioners have not moved to stay the Texas Litigation.*** In fact, as of the filing of this paper, Petitioners have

never even indicated a desire to stay the Texas Litigation. Under these circumstances, *Fintiv* factor 1 strongly favors denial of institution.

Even if Petitioners were to belatedly seek a stay of the Texas Litigation, that motion would almost certainly be denied. The Eastern District of Texas has a “consistent practice of denying motions to stay when the PTAB has yet to institute post-grant proceedings.” *Luminati Networks Ltd. v. Teso LT, UAB*, No. 2:19-CV-00395-JRG, 2020 U.S. Dist. LEXIS 219284, at *3 (E.D. Tex. Oct. 29, 2020); *Trover Grp., Inc. v. Dedicated Micros USA*, No. 2:13-CV-1047-WCB, 2015 U.S. Dist. LEXIS 29572, at *17 (E.D. Tex. Mar. 11, 2015) (“In this district, [denying pre-institution motions to stay] is not just the majority rule; it is the universal practice. This Court's survey of cases from the Eastern District of Texas shows that when the PTAB has not yet acted on a petition for inter partes review, the courts have uniformly denied motions for a stay.”); *Viavi Sols. Inc. v. Zhejiang Crystal-Optech Co Ltd.*, No. 2:21-CV-00378-JRG, 2022 U.S. Dist. LEXIS 205106, at *15 (E.D. Tex. Nov. 10, 2022) (“It is the Court's established practice to consider that motions to stay pending IPR proceedings which have not been instituted are inherently premature and should be denied as such.”). Even post-institution, the Judge in the parties’ co-pending Texas Litigation (Judge Gilstrap) is unlikely to stay the case absent agreement from the parties. *See Ericsson Inc. et. al. v.*

Procomm Int’l Pte. Ltd., IPR2024-01455, Ex.2005 at 85 (PTAB) (showing only an 8.1% win rate on contested motions to stay pending IPRs before Judge Gilstrap).

Thus, because the Texas Litigation is not stayed and is very unlikely to be stayed, *Fintiv* Factor 1 weighs heavily in favor of denial.

2. Factor 2 Weighs in Favor of Denial Because Trial in the Texas Litigation Will Occur Before the Board’s Final Written Decision

Fintiv Factor 2 likewise weighs in favor of denying institution because trial is set to commence in the Texas Litigation *nearly four full months before the expected date for the Board’s Final Written Decision in this proceeding*. “If the court’s trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution under *NHK*.” *Fintiv*, IPR2020-00019, Paper 11 at 9. That is surely the case here.

As the Petition concedes and is shown in the Texas Litigation Docket Control Order, trial in the Texas Litigation is scheduled to begin on June 1, 2026. *See* Paper 3 at 82 (“the case is scheduled for trial on June 1, 2026”); Ex.2001 (Docket Control Order) at 1 (indicating that “Jury Selection” will begin on 9:00am in Marshall, Texas on June 1, 2026). By contrast, the Board’s Final Written Decision in this IPR is not expected until at least approximately September 20, 2026—*nearly four months later*. Indeed, the Notice of Filing Date Accorded in this IPR issued on March 20, 2025 and Patent Owner’s Preliminary Response is

due by June 20, 2025. *See* Paper 6; 37 C.F.R. § 42.107(b). The expected date for the Board's Institution Decision would therefore be September 20, 2025. *See* 35 U.S.C. § 314(b). If the proceeding is instituted, the expected date of the Board's Final Written Decision is one year later on September 20, 2026, which could be further extended by up to another six months. *See* 35 U.S.C. § 316(a)(11).

Accordingly, *trial in the Texas Litigation (June 1, 2026) will take place nearly four months earlier than any Final Written Decision in this IPR (September 20, 2026).*

The result is the same even when considering the median time from filing to disposition of the civil trial in the Eastern District of Texas rather than the scheduled trial date. The current median time to trial in the Eastern District of Texas is 23 months. Ex.2005 (Federal Court Management Statistics) at 85. The Texas Litigation was filed on August 5, 2024. *See* Ex.2002 (Complaint). The median time to trial statistics suggest that a trial would occur by July 2026, approximately the same timeframe as currently scheduled. Thus, both the actual scheduled trial date in the parallel Texas Litigation and the median time-to-trial statistics for the Eastern District of Texas consistently place the trial in June/July 2026—nearly three to four months before the expected Final Written Decision in this IPR.

This timeline undisputedly favors denial. The Director and Board have held time and time again that a trial date which precedes a final written decision deadline by several months favors discretionary denial. *See, e.g., Arm Ltd. et al. v. Daedalus Prime LLC*, IPR2025-00207, Paper 10 at 2 (PTAB May 16, 2025) (granting request for discretionary denial where district court trial was set for January 26, 2026 but projected final written decision due date in IPR was June 2026, approximately 4-5 months later); *Ericsson Inc. et al v. Collison Communications, Inc.*, IPR2022-01233, Paper 12 at 12-13 (PTAB Jan. 19, 2023) (holding Factor 2 “weighs in favor of denying institution, given that we would not expect to issue a final written until at least four months” after trial); *Samsung Elecs. Co., Ltd. v. Mojo Mobility Inc.*, IPR2023-01092, Paper 11 at 11 (PTAB Jan 8, 2024) (denying institution, finding that a trial date “about five months before the projected statutory deadline” favored discretion to deny); *Bentley Motors Ltd., Jaguar Land Rover Ltd.*, IPR2019-01539, Paper 9 at 14 (PTAB Mar. 10, 2020) (denying institution where trial was set to occur five months before final written decision); *Immersion Sys. LLC v. Midas Green Techs., LLC*, PGR2021-00104, Paper 15 at 11 (PTAB Jan. 1, 2022) (jury trial starting four months ahead of final written decision favored discretionary denial). In fact, the Board has even found this Factor weighs in favor of discretionary denial when the trial date is only 1-2 months before the expected date for a final written decision—a significantly

shorter timeframe than here. *See NXP USA, Inc. v. Impinj, Inc.*, PGR2022-00005, Paper 18 at 8-9 (PTAB May 2, 2022) (two-month period between trial date and deadline for final decision weighed in favor of discretionary denial); *E-One, Inc. v. Oshkosh Corp.*, IPR2019-00161, Paper 16 at 6-9 (PTAB May 15, 2019) (one month period between trial date and deadline for final written decision weighed in favor of discretionary denial); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12-13 (PTAB May 13, 2020) (second factor favors denial when “the currently scheduled District Court trial is scheduled to begin two months before our deadline to reach a final decision”); *eClinicalWorks, LLC v. Decapolis LLC*, IPR2022-00229, Paper 10 at 9 (PTAB Apr. 13, 2022) (favoring denial where beginning of jury trial was “roughly one to two months” before final decision was due).

Given that trial is set to commence in the Texas Litigation *nearly four full months before* the expected date for the Board’s Final Written Decision in this IPR, *Fintiv* factor 2 significantly favors discretionary denial of this IPR.

3. Factor 3 Weighs in Favor of Institution Due to Significant Investment in the Texas Litigation by the Parties

Factor 3 also weighs in favor of denial because the district court and parties have expended and will continue to expend considerable resources in the parallel litigation before institution in this IPR. Factor 3 considers “the amount and type of work already completed in the parallel litigation by the court and the parties at the time of the institution decision.” *Fintiv*, IPR2020-00019, Paper 11 at 9. “This

investment factor is related to the trial date factor, in that more work completed by the parties and the court in the parallel proceeding tends to support the arguments that the parallel proceeding is more advanced, a stay may be less likely, and instituting would lead to duplicative costs.” *Id.* at 10.

Here, contrary to Petitioners’ assertion that “the district court case is in its early stages and little fact discovery has taken place” (*see* Paper 3 at 82), the current and projected investment by the district court and parties in the Texas Litigation is immense. Patent Owner filed the Texas Litigation against Petitioners *nearly 10 months ago* on August 5, 2024. *See* Ex.2002 (Complaint). The case is well beyond the early stages and the parties have expended significant resources and effort moving the case toward trial. For example, Patent Owner served infringement contentions on Petitioners on October 24, 2024 and moved to amend its infringement contentions on May 12, 2025, and Petitioners served invalidity contentions on Patent Owner on January 16, 2025. *See* Ex.2001 (Docket Control Order) at 5; Ex.2004 (Docket) at 10; Ex.2003 (Invalidity Contentions) at 77⁴; *Sand Revolution II, LLC v. Cont’l Intermodal Grp.*, IPR2019-01393, Paper 24 at 10 (PTAB June 16, 2020) (considering the parties’ investment in contentions for this

⁴ Petitioners appear to have inadvertently dated the Invalidity Contentions as January 16, 2024 rather than January 16, 2025.

factor). Moreover, the parties filed a proposed protective order on December 18, 2024, complied with the standing order regarding subject-matter eligibility contentions on January 16, 2025, and submitted a disputed e-discovery order on March 7, 2025. *See* Ex.2001 (Docket Control Order) at 5; Ex.2004 (Docket) at 9-10 (docket entries 39 and 43).

Fact discovery is also ongoing. This effort includes laborious document collection and review (Patent Owner and Petitioners have issued 39 and 44 Requests for Production, respectively), meaningful interrogatory practice including both interrogatories and responses thereto (*e.g.*, Samsung Ltd. and Samsung America have collectively responded to 2 interrogatories and have 8 interrogatories issued to them that are pending, while Patent Owner has responded to 5 interrogatories), and Patent Owner plans to issue wide-ranging third-party subpoenas (documentary, testimonial, or both) to Qualcomm Technologies, Inc., Precise Biometrics Inc./Precise Biometrics AB, and Suprema Inc.

Additionally, significant activity in the Texas Litigation will take place before the expected institution date of this proceeding on September 20, 2025 and within a few months thereafter. The claim construction process will begin with the exchange of proposed claim terms on August 7, 2025, followed by the exchange of preliminary claim constructions on August 28, 2025 and the filing of a joint claim construction statement on September 18, 2025. *See* Ex.2001 (Docket Control

Order) at 4-5. And within approximately 3 months after institution, claim construction discovery (October 16, 2025) will be completed, the deadline for substantial completion of document production will have passed (October 30, 2025), claim construction briefing (November 20, 2025) will conclude, and the Court will hold a *Markman* hearing (December 11, 2025). *Id.* Thus, by the time this IPR reaches institution and within a few months thereafter, the issues of claim construction, infringement, and validity will have largely been distilled for trial.

It is also noteworthy that Petitioners raises validity challenges in the district court based not only on prior art patents and printed publications, but also alleged prior sale and public use, lack of enablement, lack of written description, indefiniteness, incorrect inventorship. *See* Ex.2003 (Invalidity Contentions) at 18-20, 70-76. Thus, the district court will be in the best position to resolve all validity issues relating to the '875 Patent. And even if institution is granted here, the district court will still have to contend with a multitude of validity issues. Considering the timing of the litigation and the relative status of this IPR, efficiency is favored in the forum that can address all of the validity issues at the same time.

Finally, the Court's Docket Control Order requires dispositive motions on issues such as (in)validity to be filed by February 23, 2026. *See* Ex.2001 (Docket Control Order) at 3 (setting deadline to file dispositive motions). Should the Board

institute, the parties will effectively duplicate the efforts expended in the Texas Litigation to address the validity of the '875 Patent. These investments by the district court and the parties in the Texas Litigation favor denial here.

4. Factor 4 Weighs in Favor of Denial Because the Issues in the Parallel Proceedings Significantly Overlap

Factor 4 also weighs in favor of discretionary denial because there is substantial overlap between the claims, arguments, and evidence raised in the Petition and in Petitioners' invalidity contentions in the Texas Litigation.

In this IPR, Petitioners' invalidity grounds are as follows:

- Ground 1: claims 1, 4, 7, 10, 14, and 19 would have been obvious over Fadell (Ex.1007) and Moran (Ex.1008);
- Ground 2: claims 15 and 18 would have been obvious over Fadell (Ex.1007), Moran (Ex.1008), and Rosenblatt (Ex.1010);
- Ground 3: claims 1 and 4 would have been obvious over Kohinata (Ex.1009) and Mizusawa (Ex.1012); and
- Ground 4: claims 15 and 18 would have been obvious over Kohinata (Ex.1009), Mizusawa (Ex.1012), and Rosenblatt (Ex.1010).

See Paper 3 at 1-2.

In Petitioners' Invalidity Contentions in the Texas Litigation, Petitioners contend that the '875 Patent is invalid in view of, among others: (1) Fadell in combination with various references including Moran and Rosenblatt (*see* Ex.2003

(Invalidity Contentions) at 40-49 (discussing Fadell/Moran combination at page 42-44 and Fadell/Rosenblatt combination at page 44-49)); and (2) Kohinata in combination with various references including Mizusawa and Rosenblatt (*see id.* at 56-57 (discussing Kohinata/Mizusawa combination at page 56 and Kohinata/Rosenblatt combination at page 57)). Petitioners also broadly contend that “it would have been obvious to one of ordinary skill in the art to combine each prior art reference identified in Appendices A-1–A-10 with any other reference or references identified in this Section IV.B.2 along with the knowledge of one of ordinary skill in the art to arrive at the inventions claims in the ‘875 Patent” and list a variety of combinations including Fadell in combination with Moran and/or Rosenblatt and Kohinata in combination with Mizusawa and/or Rosenblatt. *Id.* at 61-68. Therefore, Petitioners’ common prior art challenges to the claims renders the “overlap in issues between the two proceedings [] substantial.” *Code200, UAB v. Luminate Networks, Ltd.*, IPR2020-01506, Paper 10 at 11-12 (PTAB Feb. 16, 2021); *see also Fintiv*, IPR2020-00019, Paper 15 at 15 (finding Petitioner’s assertion of additional invalidity contentions “not relevant to the question of the degree of overlap for this factor”).

As to the claims of the ‘875 Patent, the IPR Petition here challenges claims 1, 4, 7, 10, 14, 15, 18 and 19, which encompasses each of the claims asserted in the Texas Litigation (*i.e.*, claims 1, 4, 15, and 18). *Compare* Paper 3 at 1-2, *with*

Ex.2003 (Invalidity Contentions) at 1. Even when there is not a perfect alignment between the claims in IPR and litigation, however, the Board has repeatedly found that the assertion of additional claims does nothing to mitigate “substantial” overlap in issues between the two proceedings where common prior art is presented and common independent claims are challenged. *See, e.g., Code200*, IPR2020-01506, Paper 10 at 11-12 (“In light of the common prior art asserted here and in the [] district court case, as well as the common challenge to the sole independent claim and all but two of the dependent claims of the [’384] patent, we agree with the Patent Owner that the overlap in issues between the two proceedings is substantial.”); *Teso LT UAB v. Luminati Networks Ltd.*, IPR2021-00122, Paper 12 at 10 (PTAB Apr. 20, 2021) (denial of institution favored where Petition’s prior art references were all identified in the district court invalidity contentions, the same independent claims were challenged in both proceedings, and “the additional claims challenged in the Petition are all dependent claims”).

Finally, although Petitioners offered a *Sotera* stipulation in the Petition (*see* Paper 3 at 83), Petitioners’ stipulation should be given little weight because it fails to ensure that this IPR serves as a “true alternative” to the Texas Litigation. According to PTAB guidance, “[w]here the petitioner is relying on corresponding system art in a co-pending proceeding and/or several other invalidity theories, a stipulation may not be particularly meaningful because the efficiency gained by

any AIA proceeding will be limited.” *See* FAQs for Interim Processes for PTAB Workload Management, at FAQ No. 14 (published Apr. 25, 2025), *available at* <https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management> (last visited May 20, 2025) (emphasis added). As the Acting Director recently recognized, such stipulations do not ensure that an IPR proceeding would be a “true alternative” to the district court proceeding where unpublished system prior art is asserted in combination with the art used in the IPR. *See Motorola Sol’ns, Inc. v Stellar LLC*, IPR2024-01205, Paper 19 at 3-4 (PTAB March 28, 2025) (Stewart, A.D.).

Here, Petitioners’ Invalidity Contentions assert at least 13 prior art systems in addition to over 100 patents and printed publications—including the exact references at issue here—resulting in an almost unthinkable number of invalidity grounds that Petitioners’ stipulation does not moot. *See* Ex.2003 (Invalidity Contentions) at 8-20, 39 (“Defendants reserve the right to rely on any combination of the references reflected in their charts or incorporated herein by reference”). Even with the limited Stipulation proffered by Petitioners here, Petitioners would still claim to retain the ability to rely on all the prior art references at issue in this IPR and a multitude of others in combination with system prior art that they have identified. Moreover, Petitioner also alleges invalidity under 35 U.S.C. § 112, including least 5 separate grounds for lack of enablement and lack of written

description (*id.* at 70-71) and at least 5 separate grounds for indefiniteness (*id.* at 72-74). Thus, little efficiency will be gained if this IPR is instituted.

Given the remarkably large number of additional invalidity theories asserted by Petitioners in the litigation and the limited nature of Petitioners' stipulation, the stipulation does nothing to ensure this IPR is a "true alternative" to the Texas Litigation. *See Motorola*, IPR2024-01205, Paper 19 at 3-4 (stipulation "does not ensure that these IPR proceedings would be a 'true alternative' to the district court proceeding" because invalidity arguments in district court were "more expansive and include combinations of the prior art asserted in these proceeding with unpublished system prior art, which Petitioner's stipulation is not likely to moot"). Thus, Petitioner's Stipulation should be given little, if any, weight.

In any event, according to recent PTAB guidance, although "a timely-filed *Sotera* stipulation" may be relevant, it "will not be dispositive by itself" and will be considered "as part of [the] holistic analysis under *Fintiv*." *See* March 24, 2025 "Guidance on USPTO's rescission of 'Interim Procedure for Discretionary Denials in AIA Post Grant Proceedings with Parallel District Court Litigation'" at 2-3 (emphasis added). Even assuming Petitioners' stipulation here was given some weight, the stipulation is still not "sufficient when weighed against the other factors." *See Cisco Sys., Inc. v. Estech Sys., Inc.*, IPR2021-00333, Paper 12 at 12 (PTAB July 7, 2021) (denying institution despite *Sotera* stipulation, emphasizing

advanced litigation stage). Simply put, Petitioners’ stipulation cannot overcome the multitude of other factors weighing in favor of discretionary denial of this IPR.

Therefore, with this substantial overlap between the Petition and the Texas Litigation, there are particularly strong “concerns of inefficiency and the possibility of conflicting decisions” if the IPR is instituted. *See, e.g., Fintiv*, IPR2020-00019, Paper 11 at 12 (finding “concerns of inefficiency and the possibility of conflicting decisions [are] particularly strong” where there is substantial overlap); *see also Teso LT UAB*, IPR2021-00122, Paper 12 at 10 (finding “the overlap in issues between the two proceedings is substantial” where common art and common challenges to the independent claim were presented in both proceedings); *eClinicalWorks*, IPR2022-00229, Paper 10 at 12 (finding factor 4 weighed in favor of denial where Preliminary Invalidity Contentions showed overlap of asserted claims, art and arguments asserted in the Petition); *U.S. Venture, Inc. v. Sunoco Partners Mktg. & Terminals L.P.*, IPR2020-00728, Paper 10 at 12-14 (PTAB Oct. 1, 2020) (finding overlap between primary references asserted in Petition and litigation weighed in favor of denial).

Accordingly, Factor 4 weighs strongly in favor of denial of institution.

5. Factor 5 Weighs in Favor of Denial Because the Parties Are Identical in Each Proceeding

The parties in this IPR are identical to the parties in the parallel Texas Litigation. Patent Owner OS-New Horizon Personal Computing Solutions Ltd. is

the plaintiff in the Texas Litigation and Petitioners Samsung Electronics Co. Ltd. and Samsung Electronics America, Inc. are the defendants in the Texas Litigation. *See* Ex.2002 (Complaint) at 1. “[B]ecause the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial.” *Samsung Elecs. Co. v. Clear Imaging Research, LLC*, IPR2020-01401, Paper 12 at 21-22 (PTAB Feb. 17, 2021) (*quoting Fintiv*, IPR2020-00019, Paper 15 at 15). Factor 5 thus strongly favors denial.

6. Factor 6 Weighs in Favor of Denial Due to Other Circumstances Impacting the Exercise of Discretion

Additional factors likewise weigh in favor of denial. The district court can resolve more disputed issues than the limited nature of IPR proceedings, which can only address a limited set of validity challenges. While IPR proceedings were once thought to be vehicles to settle validity questions concerning a patent, history has informed that IPR proceedings often only address some validity issues, leaving others for the district courts to deal with. When a patent survives an IPR, it adds complexity to the proceeding as the district court must then weigh questions of the scope of IPR estoppel. And for other validity issues beyond the reach of IPRs, Petitioners’ prior art on sale, public use, and knowledge arguments, as well as its enablement, written description, and indefiniteness issues identified in its Texas Litigation Invalidity Contentions (*see* Ex.2003 (Invalidity Contentions) at 18-20,

70-74), demonstrate that the IPR proceeding will not make the validity determination more efficient in this instance.

Moreover, the merits of the Petition are weak. While Patent Owner will provide a more comprehensive analysis of the merits of the Petition in its Preliminary Response due June 20, 2025 (*see* Paper 6), it is clear from even a cursory review of the Petition that it does not present “a compelling unpatentability challenge.” *See Fintiv*, IPR2020-00019, Paper 11 at 13-14. Each of Petitioners’ invalidity grounds are based on obviousness, a tacit admission by Petitioner that none of the prior art discloses all the limitations of the challenged claims. *See* Paper 3 at 2. Further, the two primary references relied upon in the Petition—Fadell and Kohinata—differ significantly from the invention described and claimed in the ‘875 Patent. For example, Fadell does not disclose “an authentication unit comprising a second storage unit,” and to the extent Fadell discloses an “authentication unit” at all (with or without “a second storage unit”) even Petitioners admit the reference “is *silent* regarding implementation details of its authentication system.” *See* Paper 3 at 13 (emphasis added). Petitioners likewise admit Kohinata “*does not disclose (or limit)* the implementation of its ‘authentication module.’” *Id.* at 63 (emphasis added). The weak merits of the Petition thus favor denial.

The Petition’s extensive reliance on expert testimony further demonstrates that the merits of Petitioners’ challenges are not strong. *See* Guidance at 2 (listing additional “relevant considerations” including “[t]he extent of the petition’s reliance on expert testimony”). Petitioner cites its expert’s 182-page declaration at least 170 times in the Petition, often relying on expert testimony to backfill and plug holes in its arguments. This is a clear sign that Petitioner’s merits-based arguments cannot stand on their own.

In any event, the Board has made clear that “the merits do not outweigh the other Fintiv factors.” *NXP USA*, PGR2022-00005, Paper 18 at 12-13 (finding that where factor 1 was neutral and factors 2-5 favored or slightly favored denial, factor 6 was neutral because it “would not impact [the] ultimate determination”); *Samsung Elecs.*, IPR2020-01401, Paper 12 at 23-25 (finding that where factors 1 and 4 slightly favored denial, factors 2 and 3 strongly favored denial, and factor 5 weighed in favor of denial, those factors outweighed any merits of the case considered in factor 6); *Apcon, Inc. v. Gigamon Inc.*, IPR2020- 01579, Paper 9 at 26 (PTAB Mar. 16, 2021) (finding that the merits of the petitioner’s grounds do not outweigh the other factors in light of the strength of factors 2); *Fintiv*, IPR2020-00019, Paper 11 at 15 (“if the merits of the grounds raised in the petition are a close[] call, then that fact has favored denying institution when other factors favoring denial are present”). Accordingly, even if the Petition presented a strong

merits-based challenge (which it does not), it would be outweighed by the other *Fintiv* factors that strongly favor denial.

In addition to the weakness of the merits of the Petition, additional considerations also favor discretionary denial of this proceeding. For example, the “settled expectations of the parties” clearly favor denial. *See* Guidance at 3 (listing additional “relevant considerations” including “[s]ettled expectations of the parties, such as the length of time the claims have been in force”). The ‘875 Patent issued *over 12 years ago* on March 19, 2013. *See* Ex.1001 at cover.

Accordingly, *Fintiv* Factor 6 thus also weighs in favor of denial. Moreover, given that each of the *Fintiv* Factors strongly favor denial, the Director should respectfully exercise her discretion and deny institution of this IPR.

B. The Director Should Deny Institution Under 35 U.S.C. § 325(d)

The Petition should also be discretionarily denied under 35 U.S.C. § 325(d). Under § 325(d), “the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.” “Previously presented art includes art made of record by the Examiner, and art provided to the Office by an application, such as on an Information Disclosure Statement (IDS), in the prosecution history of the challenged patent.” *Ivantis v. Sight*, IPR2022-01530, Paper 14 at 9 (PTAB Mar. 27, 2023) (internal quotations omitted).

Advanced Bionics provides a two-part framework for evaluating whether denial under Section 325(d) is warranted: (1) whether the same or substantially the same prior art or argument previously was presented to the Office; and (2) if the first part is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims. *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 8 (PTAB Feb. 13, 2020) (precedential). According to a recent precedential decision on Director Review, “[c]hallenging the claims using the same prior art that was previously presented on an IDS is sufficient to satisfy the first part of the *Advanced Bionics* framework.” *See Ecto World, LLC v. RAI Strategic Holdings, Inc.*, IPR2024-01280, Paper 13 at 4 (PTAB May 19, 2025) (precedential as to § A). Moreover, the Director held that “a petitioner must provide an analysis even when the asserted prior art is on an IDS, but the Examiner did not apply the reference” and that “[i]n that analysis, a petitioner must explain, with reference to *Becton Dickinson* factors (c), (e), and (f), how the Examiner erred in overlooking the prior art.” *Id.* at 5.

Here, Part 1 of the *Advanced Bionics* framework is met because the Petition relies on the same or substantially the same prior art or argument previously presented to the USPTO. Despite the Petition’s suggestion otherwise (*see* Paper 3 at 83), at least two of Petitioners’ invalidity grounds (Grounds 1 and 2) are

premised on a prior art reference—Moran (Ex. 1008)—that was already considered during prosecution of the '875 Patent. *See* Paper 3 at 1-2; Ex.1001 at [56] References Cited (listing Moran). Therefore, because the USPTO has already considered and issued the '875 Patent over Moran, Part 1 of the *Advanced Bionics* framework is met.

Moreover, the Petition fails to address Part 2 of the *Advanced Bionics* framework. *See* Paper 3 at 83-84 (“Because the first part of the *Advanced Bionics* framework is not satisfied, the Board need not consider the second part.”). Petitioners have therefore not explained how the examiner erred in overlooking Moran. Petitioners’ conclusory arguments that “Moran was not considered in combination with Fadell” and that the Petition demonstrates how Fadell and Kohinata disclose the “life signs detector” limitation are insufficient. *See id.* Indeed, the Petition fails to address the *Becton Dickinson* factors, including “the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection,” “whether petitioner has pointed out sufficiently how the examiner erred in its evaluation of the asserted prior art,” and “the extent to which additional evidence and facts presented in the petition warrant reconsideration of the prior art or arguments.” *See Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 (PTAB Dec. 15, 2017) (precedential as to § III.C.5, first paragraph). Here, Moran was the basis for

rejections during prosecution, which were overcome to obtain allowance of the ‘875 Patent over the prior art including Moran.

Accordingly, because at least two of Petitioners’ invalidity grounds—accounting for 8 of the 12 challenged claims (*see* Paper 3 at 2)—rely on prior art or arguments previously considered during prosecution, institution should be denied under § 325(d). *See, e.g., Ivantis*, IPR2022-01530, Paper 14 at 14 (denying institution where “the Examiner considered many *similar* prior art references, including references containing the same figures that Petitioner asserts here, during the prosecution leading to the [challenged] patent.”) (emphasis added).

III. CONCLUSION

In summary, the *Fintiv* Factors and other relevant considerations strongly favor denial of the Petition under § 314(a). Most importantly, the ongoing Texas Litigation has not been stayed, is set for trial on June 1, 2026 and will reach a determination of the validity of the ‘875 Patent *nearly four months before* the Board in this IPR on approximately September 20, 2026, has advanced well beyond the early stages and has resulted in significant expenditures of time and resources by the district and parties, and will address issues that overlap significantly with those raised in this IPR. In addition, the Petition should be denied under § 325(d) because one of Petitioners’ primary references (Moran (Ex.1008)) was already considered and heavily addressed during prosecution and

the '875 Patent was allowed to issue over it. Accordingly, Patent Owner respectfully requests that the Director exercise her discretion to deny institution of this proceeding.

Dated: May 20, 2025

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

The undersigned certifies that this Request for Discretionary Denial complies with the type-volume limitations of 37 C.F.R. §42.24 because it contains 6,237 words (as determined by the Microsoft Word word-processing system used to prepare the Petition), excluding the parts of the Petition exempted by 37 C.F.R. §42.24.

Dated: May 20, 2025

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CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing **PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL** and accompanying exhibits were served on the date below via email at the following email addresses:

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