

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

v.

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

IPR2025-00613
U.S. Patent No. 8,401,875

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

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Patent Trial and Appeal Board
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I. INTRODUCTION

The challenged patent presents a straightforward case of Examiner error. PO tried to patent substantively identical claims in both the U.S. and Europe. In the U.S., the claims issued; in Europe, the claims were rejected and abandoned. The reason for the discrepancy is simple: the European Patent Office considered prior art reference Fadell—one of the lead references presented in this petition—while the U.S. Examiner did not. As the European Patent Office correctly noted, Fadell clearly discloses the single element PO had added to overcome the U.S. Examiner’s rejections in view of other prior art. The European Patent Office rejected the pending claims—which are substantively the same as the challenged claims—in view of Fadell, and PO consequently abandoned its claims in Europe.

The Examiner’s failure to apply Fadell against the issued U.S. claims remained latent and uncorrected until Petitioners sought the Board’s review. The ’875 patent was never eligible for post-grant review, and there was no reason to expend resources on a pre-litigation challenge, as PO had already conceded the claims were unpatentable over the prior art in Europe.

The Decision denying review of this Examiner error was wrong and should be reversed. The Decision relied on only two factors to deny review: settled expectations and the timing of trial in the parallel district court proceeding. Contrary to the Decision’s findings, settled expectations do not weigh in favor of

discretionary denial; they weigh heavily against it. PO knew at least as of 2014 (when the European Patent Office first rejected the claims) that Fadell invalidates the '875 patent. PO therefore had no settled expectations of validity. Likewise, the median time-to-trial statistics show that trial in the district court will likely happen *after* the expected FWD in this proceeding, which favors review.

Other factors also strongly favor review. The Petition presents a compelling case of unpatentability, including Examiner error in missing art that invalidated substantively identical claims in Europe. Petitioners have strong settled expectations of invalidity in view of the EPO's rejection of substantively identical claims a decade ago. Petitioners have submitted a *Sotera* plus stipulation that the Director previously has recognized favors review. There is evidence the district court would likely grant a stay, and if not stayed the FWD is likely to precede any trial. The Director has declined to grant discretionary denial in cases presenting even a subset of such factors. In granting denial here, the Decision reflects significant inconsistency with those prior decisions. The Decision should be reversed to ensure the Director's guidance is being properly and consistently applied, and to correct the Examiner error before PO further exploits it.

II. ARGUMENT

The Decision expressly considered only two factors in denying review: settled expectations and time to trial. It was an abuse of discretion to deny based

on those factors for at least three reasons. First, the Decision’s consideration of those factors relied on erroneous findings of material facts. Second, the Decision failed to address other factors that weigh strongly in favor of review—such as the strength of the Petition and the clear evidence of Examiner error—which resulted in a decision inconsistent with other Board proceedings. Third, the Decision raises important constitutional, statutory, and policy issues by retroactively applying new binding guidance that did not exist at the time Petitioners filed their Petition.

A. The Decision’s Reliance on “Settled Expectations” and Time to Trial Is Factually Unfounded and an Abuse of Discretion

1. PO Has No Settled Expectations, Whereas Petitioners and the Public Have Strong Settled Expectations

As noted above, in light of *Fadell*, the EPO rejected claims substantively identical to those of the ’875 patent in 2014—only one year after the challenged patent issued. (EX-1005 at 188-99.) PO eventually acquiesced to the claims’ unpatentability, abandoning the application in 2018. (EX-1005, 713.) Thus, to the extent PO had any expectation of the ’875 patent’s validity, it lost that expectation only one year after its issuance, and accepted the finality of that loss four years later. And even if PO held out hope of overcoming the EPO’s rejection before 2018, five years is not a long enough time to develop “settled expectations” of validity. *See Shenzhen Tuozhu Tech. Co., Ltd. v. Stratasys, Inc.*, IPR2025-00438, -531-532, -585, -611, P. 10, 2 (Stewart July 17, 2025) (PO had no strong settled

expectations where patents had been in force 1-5 years); *Embody, Inc. v. Lifenet Health*, IPR2025-00248-249, P. 13, 2-3 (Stewart June 26, 2025) (referring where patents were in force for 3 and 7 years); *Cambridge Indus. v. Applied Optoelectronics, Inc.*, IPR2025-00434, -436-437, P. 11, 2-3 (Stewart June 26, 2025) (referring where patents were in force for 5-6 years).

Back in the U.S., PO did nothing to try to bolster the '875 patent's claim to validity. PO, who never disclosed Fadell to the Examiner, might itself have sought reexamination of the '875 patent in light of Fadell. PO never did. The only reasonable expectation PO could have had was that, in the event of litigation and an IPR, the '875 patent would be deemed unpatentable just as its European counterpart was. And PO should have known that it should expect a strong challenge if it ever tried to enforce the '875 patent. Indeed, the Federal Circuit has made clear that patent owners receive their patents with the knowledge and expectation that those patents may be subject to post-issuance PTO proceedings. *See Celgene Corp. v. Peter*, 931 F.3d 1342, 1361-63 (Fed. Cir. 2019). The PTO intervened in *Celgene*, and repeatedly advanced the position that patent owners lack a settled expectation that their patents will not be subject to post-issuance challenges, including IPRs. *See* Brief for Intervenor at 42-43, *Celgene Corp. v. Iancu*, No. 2018-1167 (Fed. Cir. Aug. 30, 2018) (Doc. No. 43). Having prevailed by making this argument in *Celgene*, the PTO is judicially estopped from taking

the opposite position in later proceedings, including this one. *See Trs. in Bankr. of N. Am. Rubber Thread Co. v. United States*, 593 F.3d 1346, 1353 (Fed. Cir. 2010).

PO never even argued in support of discretionary denial that it had a settled expectation that the '875 patent is valid. PO only noted that “the settled expectations of the parties” may be a relevant consideration in the Director’s discretionary analysis, and then recited the issue date of the patent. P. 7, 24. But as the Director has recognized, the age of a patent does not inherently support a PO’s settled expectations. *See, e.g., Intel Corp. v. Proxense LLC*, IPR2025-00327-329, P. 12, 2-3 (Stewart June 26, 2025) (noting “[t]here may be persuasive reasons why the Board should review challenged claims several years after their issuance date”); *Shenzhen Tuozhu Tech*, IPR2025-00438, -531-532, -585, -611, P. 10, 3 (Stewart July 17, 2025). There must be some factor making it reasonable for the passage of time to favor PO. *See Dabico Airport Solutions Inc. v. AXA Power ApS*, IPR2025-00408, P. 21, 3 (Stewart June 18, 2025) (noting that while “in general, the longer the patent has been in force, the more settled expectations should be,” there is no “bright-line rule” equating patent age with settled expectations).

PO has not offered any basis to connect the '875 patent’s age to settled expectations. Nor can it. PO has known since at least 2014 that Fadell invalidates the patent, and the U.S. claims issued only because Fadell was never before the Patent Office. It was an abuse of discretion to find settled expectations here.

It was a further abuse of discretion not to weigh the strong settled expectations of Petitioners and the public. PO's acquiescence to the rejection of its European application created a reasonable expectation that the '875 patent would not be enforceable in the U.S. PO's years of inactivity following the European application's abandonment only reinforced that settled expectation.

2. The Record Indicates the District Court Trial Is Likely to Occur After the Expected FWD Date

The Decision relies on an erroneous finding of material fact in assuming that the currently scheduled trial date is likely to hold. The current scheduled trial date is June 1, 2026. (EX-2001, 1.) As Petitioners have explained (P. 9, 12-14), that date is highly unlikely to hold. The record indicates *12* other trials scheduled for that same trial date in front of the same judge. (EX-1037.) That is not going to happen. Recent median time-to-trial statistics confirm that any trial is actually more likely to occur months later. According to the most recent data, the median time to trial in the Eastern District of Texas is 25.9 months, which would set the expected trial date at October 5, 2026—two weeks *after* the statutory FWD deadline of September 20, 2026. (EX-1038, 35.) And even that date likely underestimates what the actual time to trial will be, as median times to trial have been increasing in that District even over the past year. (P. 9, 13 & n.3.)

Had the Decision considered the up-to-date median time-to-trial statistics and the resulting trial date of October 5, 2026 (or later), consistency would require

a finding that this factor “weighs heavily against discretionary denial.” *Intel Corp. v. PACT XPP Schweiz AG*, IPR2020-00535, P. 11, 16 (PTAB Aug. 11, 2020) (“[T]he fact that the district court trial is set for after the projected deadline for the Board to issue its Final Written Decision ... weighs heavily against discretionary denial.”); *see also, e.g., Intel Corp. v. ParkerVision, Inc.*, IPR2020-01302, P. 9, 12 (PTAB Jan. 28, 2021) (granting institution where expected FWD date fell 10 days before expected trial date).

Even if trial starts before the expected FWD date—contrary to current statistical indications—that would weigh only marginally in favor of denial. The earliest possible trial date is only four months before the expected FWD date. When the difference between expected trial and expected FWD is that narrow, the Board has found this factor weighs only marginally in favor of denial, and has proceeded to institute review notwithstanding the difference. *See, e.g., Zynga, Inc. v. IGT*, IPR2022-00199, P. 11, 14 (PTAB June 14, 2022) (instituting while weighing factor “slightly in favor of discretionary denial” where trial was 4 months before FWD); *Samsung Elecs. Co., Ltd. v. CardWare Inc.*, IPR2023-00211, P. 13, 10 (PTAB Jun. 13, 2023) (same).

In either event, this factor cannot be the reason the Board denies review. Consistent with other Board proceedings, to the extent the trial date favors denial, that marginal consideration is heavily outweighed by other factors the Decision

failed to consider here. And if considered properly in view of the median time-to-trial statistics, this factor weighs “heavily” *against* denial.

B. The Decision Abused Discretion by Failing to Consider Factors That Have Resulted in Review in Other Proceedings

“Discretion is not whim,” and must be “limit[ed]” according to “legal standards” to “promote the basic principle of justice that like cases should be decided alike.” *Martin v. Franklin Cap. Corp.*, 546 U.S. 132, 139 (2005). The Decision failed to consider factors that have resulted in the rejection of discretionary denial in other proceedings. That resulted in the Decision being at odds with precedent, which is itself an abuse of discretion.

1. The Petition Presents a Compelling Case of Unpatentability and Evidence of Examiner Error

There is clear evidence the Examiner erred in a manner material to the patentability of the challenged patent. During prosecution, the Examiner rejected the pending claims, noting every element was disclosed by prior art reference Moran. (EX-1002, 161-84.) Applicant never disputed that Moran disclosed the then-pending claims, and instead amended the claims to add a new limitation requiring a “life signs detector.” (EX-1002, 192-93.) The Examiner found the prior art failed to disclose the new limitation, and allowed the claims on March 19, 2013. (EX-1002, 222-23, 235.)

The Examiner was wrong. As the Petition explains, several prior art references disclosed a “life signs detector.” The Examiner failed to identify or analyze any of them. The Examiner should have. Just one year after the ’875 patent issued in the U.S., PO submitted a related application to the European Patent Office. (EX-1005, 87.) There is no dispute the claims PO pursued in that application were substantively identical to the ’875 patent claims. *See* P. 9, 5-7 (detailing how the claims are word-for-word nearly identical). The European Patent Office rejected all of the claims, finding the “life signs detector” element that had secured patentability in the U.S. was disclosed by Fadell. (EX-1005, 192-93.) PO could not overcome that rejection, and eventually abandoned the European application. (EX-1005, 713.)

The Examiner never considered Fadell. Applicant had never disclosed Fadell during Examination, and the Examiner separately failed to identify it. The European Patent Office examination shows that was an error material to patentability; if not for the Examiner’s error in overlooking Fadell, the ’875 patent likely would never have issued. This is just the type of error the PTAB was established to fix through *inter partes* review. *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.”); (EX-1039, 40 (identifying one of the main goals of the AIA

as “establish[ing] a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs”).).

Even if other factors weighed in favor of denial (they do not, as discussed above), the Director should not deny review in a case of clear Examiner error. *See, e.g., Microsoft Corp. v. XI Discovery, Inc.*, IPR2025-00253, P. 13, 2 (Stewart June 25, 2025) (discretionary denial “is not appropriate” when “the Office erred in a manner material to the patentability of the challenged claims”); *Tesla, Inc. v. Charge Fusion Techs., LLC*, IPR2025-00152, -153, P. 11, 2 (Stewart June 12, 2025) (referring petitions where Office missed prior art disclosing element that was the basis for allowance); *RØDE Microphones, LLC v. Zaxcom, Inc.*, IPR2025-00557, P. 11, 2 (Stewart July 17, 2025) (referring petition based in part on evidence of Examiner error).

As the Director has recognized, “it is an appropriate use of Office resources to review [a] potential error” by the Patent Office even if other factors might weigh in favor of denial. *Microsoft Corp. v. ParTec Cluster Competence Ctr. GmbH*, IPR2025-00318, P. 9, 3 (Stewart June 12, 2025) (referring petitions to review potential Examiner error despite a scheduled district court trial date that preceded the FWD date); *Anthony, Inc. v. ControlTec, LLC*, IPR2025-00559, P. 12, 2 (Stewart July 16, 2025) (referring petitions to review potential Office error regarding challenged patents that had been in force for 17 and 18 years); *Padagis*

US LLC v. Neurelis, Inc., IPR2025-00464-466, P. 12, 2-3 (Stewart July 16, 2025)

(noting “concerns of material error” made review “an appropriate use of Office resources” despite “some factors weigh[ing] in favor of discretionary denial”).

2. Petitioners Offered a Stipulation Broader Than *Sotera*

Petitioners offered a *Sotera* stipulation agreeing that if the Board institutes IPR, Petitioners will not pursue in the district court any invalidity defense based on the same grounds raised—or any other grounds that could have reasonably been raised—in the instituted proceeding. (P. 3, 83.) PO claimed the *Sotera* stipulation would not remove overlap with the district court case because Petitioners offered *one* system prior art in one of the invalidity grounds identified in their contentions. The Board has rightly rejected such objections in other proceedings. *See, e.g., Google LLC, v. Mullen Indus. LLC*, IPR2025-00021, P. 14, 10 (PTAB May 14, 2025) (finding petitioner’s *Sotera* stipulation weighs against denial even though its district court contentions “include system prior art and other invalidity defenses ... that cannot be asserted in an IPR”). Although therefore unnecessary, Petitioners went further to address PO’s objection, stipulating that “if this IPR is instituted, they will not pursue in the related district court proceeding any invalidity theories based on unpublished system prior art, either alone or in combination with other prior art.” (P. 9, 19.) Petitioners’ stipulation is even broader than that offered in *Tesla, Inc. v. Intell. Ventures II LLC*, in which the Director found Tesla’s

stipulation counseled against discretionary denial. IPR2025-00217, -219-222, -339, P. 9, 2 (Stewart June 13, 2025); *see also Shenzhen*, IPR2025-00438, P. 10, 2; *Tesla, Inc. v. Navy*, IPR2025-00341, P. 12, 2 (Stewart June 13, 2025). The Decision here, however, did not mention the proffered broad stipulation.

3. A Stay of the District Court Litigation Is Likely

The district court proceeding is in its early stages, and a decision instituting IPR would take place nearly three months before the scheduled claim construction hearing in the district court. The challenged patent is the only one asserted in the district court litigation, and the Petition challenges all four of the asserted claims. Cancellation of the challenged claims would therefore dispose entirely of the district court case. And PO can claim no undue prejudice if the district court proceeding is stayed; PO delayed years in bringing suit, does not compete with Petitioners, and cannot claim any harm that monetary damages could not remedy. *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) (staying case where Plaintiff delayed in bringing suit, did not compete with Samsung, and “fail[ed] to establish that monetary damages are inadequate to remedy any harm”).

All of these factors—alone and in combination—make a stay of the district court proceeding more likely than not if IPR is instituted. Judge Gilstrap routinely stays cases when a party moves to stay litigation 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, Dkt. No. 134, 1-2. Judge Gilstrap also has granted contested motions to stay when IPR was instituted only weeks before the scheduled Markman hearing. *See, e.g., Commc’n Techs.*, No. 2:21-cv-00444, Dkt. No. 134, 1-2 (IPR instituted seven weeks before *Markman* hearing); *Resonant Sys., Inc. v. Samsung Elecs. Co. Ltd.*, No. 2:22-cv-00423-JRG, 2024 WL 1021023, at *3 (E.D. Tex. Mar. 8, 2024) (IPR instituted five weeks before *Markman* hearing). And Judge Gilstrap routinely grants contested stays when IPR has been instituted on all asserted claims of all asserted patents, recognizing that institution indicates “a material likelihood of simplification of the issues in [the] case.” *See, e.g., Resonant Sys.*, 2024 WL 1021023, at *3 (granting stay based on likelihood of simplification of the issues due to instituted IPR).

The likelihood of a stay weighs against discretionary denial, and the Board abused its discretion in failing to consider that factor when it relied on the expected trial date. *Accord XI*, IPR2025-00253, P. 13, 2 (noting “evidence that a stay would be likely” weighs against discretionary denial).

C. The Discretionary Denial Violates the Due Process Clause and APA

The Decision violates the Due Process Clause of the Fifth Amendment by

retroactively applying new rules that did not exist at the time Petitioners filed their petition on February 20, 2025. At that time, binding guidance declared the Board “will not discretionarily deny institution of an IPR ... in view of parallel district court litigation” where a petitioner files a *Sotera* stipulation. See Director Vidal’s June 21, 2022, Memorandum. Petitioners relied on that rule in preparing their arguments and strategy and paying the required fees and costs for their Petition. But, on February 28, 2025, the Patent Office rescinded that rule. The Decision wrongly applies that rescission to Petitioners, discretionarily denying review based on factors that would have been prohibited under the Vidal Memo. See *Kirwa v. U.S. Dep’t of Def.*, 285 F. Supp. 3d 21, 41 (D.D.C. 2017). Moreover, the reversal on the impact of a *Sotera* stipulation effectively deprived Petitioners of their rights and protections under the IPR statute solely because they were sued in a court that sets early initial trial dates. This violates Petitioners’ due process rights.

Second, the Decision is inconsistent with the governing statute. Congress was explicit on the time frame to file IPR petitions. 35 U.S.C. § 311(c). Petitions filed within that timeframe, even after patent expiration, may be reviewed. See *Apple Inc. v. Gesture Tech. Partners, LLC*, 127 F.4th 364, 368-69 (Fed. Cir. 2025).

There is no *sub silentio* point when patents become immune to IPR due to “settled expectations.” Analogously, in *SCA Hygiene Prods. Aktiebolag v. First Quality Baby Prods., LLC*, the Supreme Court rejected any attempt to limit actions based

on timing where Congress was express about the time frame in which such actions are to take place. 580 U.S. 328, 346 (2017).

Third, the Decision violates the APA. The rescission affects “the substantive ... standards by which [the USPTO] examines a party’s application,” and as such could only properly issue through notice and comment rulemaking. *In re Chestek PLLC*, 92 F.4th 1105, 1109 (Fed. Cir. 2024). The new rules introduced by the February 28, 2025 rescission and the subsequent March 2025 memorandum did not go through notice-and-comment rulemaking, and therefore violate the APA. The Director’s retroactive application of those new rules in the Decision likewise violates the APA. Moreover, the rescission changed existing policy without considering the serious reliance interests thereby affected, and without providing a reasoned explanation for the change. Under the change-in-position doctrine, the rescission is therefore arbitrary and capricious in violation of the APA. *See Dep’t of Homeland Sec. v. Regents of Univ. of Cal.*, 591 U.S. 1, 30 (2020).

III. CONCLUSION

Petitioners respectfully request that the Director withdraw the Decision and refer the matter to a panel for consideration.

Date: August 18, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

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