

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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TRANSCEND INFORMATION INC.

Petitioner,

v.

TRUESIGHT COMMUNICATIONS LLC,

Patent Owner.

Patent No. 8,977,783

Filing Date: October 18, 2010

Issue Date: March 10, 2015

Inventors: Mark P. Hahn, Daniel V. Bolstad, and Joseph P. Zipperer

Title: HIGH-SPEED SECURE CONTENT TRANSFER  
TO SD CARD FROM KIOSK

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**PATENT OWNER'S REQUEST FOR  
DISCRETIONARY DENIAL OF INSTITUTION**

Case No. IPR2025-00723

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| <b>Exhibit No.</b> | <b>Description of Document</b>                                                                                                                                                                                   |
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| 2001               | First Amended Docket Control Order, Dkt. 28, <i>Truesight Commc'ns LLC v. Transcend Information Inc.</i> , Case No. 2:24-cv-00186-JRG (E.D. Tex. August 14, 2024)                                                |
| 2002               | Transcend Information Inc.'s Invalidity Contentions and P.R. 3-3 and 3-4 Disclosures, dated October 24, 2024, in <i>Truesight Commc'ns LLC v. Transcend Information Inc.</i> , No. 2:24-cv-00186-JRG (E.D. Tex.) |

## I. INTRODUCTION

Pursuant to the Director’s March 26, 2025, Memorandum Regarding Interim Processes for PTAB Workload Management, Truesight Communications LLC (“Patent Owner”) files this Request for Discretionary Denial of Institution.

On March 12, 2025, Transcend Information Inc. (“Petitioner”) submitted a Petition (Paper 1, “Petition” or “Pet.”) requesting *inter partes* review (“IPR”) of U.S. Patent No. 8,977,783 (Ex. 1001, the “’783 Patent”), challenging Claims 1-18 (the “Challenged Claims”).

The Petition identifies co-pending district court litigation *Truesight Commc’ns, LLC v. Transcend Information Inc.*, No. 2:24-cv-00186-JRG (E.D. Tex.) (“District Court Litigation”) with a trial date set for January 5, 2026. With Patent Owner’s Preliminary Response due July 16, 2025, institution of any grounds will result in the issuance of a Final Written Decision (“FWD”) by October 16, 2026.

The Director should exercise discretion to deny the Petition under 35 U.S.C. § 314(a) for at least the following reasons: (i) the parallel District Court Litigation exists between the same parties or real-parties-in-interest; (ii) the District Court Litigation involves the same subject patent (the ’783 Patent) with substantially the same claims; (iii) the District Court’s trial will be *over nine months before* the projected statutory deadline for FWD; (iv) the parties have heavily invested in the District Court Litigation with the deadline for substantial completion of discovery

having passed on June 5, 2025, and the completion of fact and expert discovery and the filing of dispositive motions all due before the October 14, 2025, the deadline for an institution decision; and (v) there is no stay of the parallel District Court Litigation, and Petitioner has not sought a stay.

For the reasons set forth herein, the Director should exercise discretion to deny the Petition.

## **II. THE PETITION SHOULD BE DENIED IN THE DISCRETION OF THE DIRECTOR UNDER 35 U.S.C. § 314(a)**

The circumstances of the parallel District Court Litigation, *Truesight Commc'ns, LLC v. Transcend Information Inc.*, No. 2:24-cv-00186-JRG (E.D. Tex.), necessitate denial of the Petition under the Board's precedent, as every factor considered in relation to efficiency, fairness, and the merits supports denial. *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, at 6 (P.T.A.B. Mar. 20, 2020) (precedential) (considering (a) "whether the petitioner and the defendant in the parallel proceeding are the same party"; (b) "overlap between issues raised in the petition and in the parallel proceeding"; (c) "proximity of the court's trial date to the Board's projected statutory deadline for a final written decision"; (d) "investment in the parallel proceeding by the court and the parties"; (e) "whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted"; and (f) "other circumstances that impact the Board's exercise of discretion, including the

merits.”).

As set forth below, these factors collectively demonstrate that efficiency and integrity of the AIA are best served by denying review. First, the Petitioner is the defendant in the parallel proceeding. *See infra* Section II.A. Second, the District Court Litigation involves substantially the same claims at issue in the Petition. *See infra* Section II.B. Third, trial in the District Court Litigation is set for January 5, 2026, more than nine months prior to the projected statutory deadline for a Final Written Decision of this Petition on October 16, 2026. *See infra* Section II.C. Fourth, the parties (and Patent Owner in particular) have invested significant resources on developing legal and factual issues of validity and infringement in the District Court Litigation and will have invested substantially more resources before any decision on this Petition. *See infra* Section II.D. Fifth, Petitioner has not sought a stay of the District Court litigation, and any request would likely be denied. Finally, no other factors favor institution. *See infra* Section II.F.

Accordingly, the Director should exercise discretion under § 314(a) and deny the Petition because institution of this proceeding would not be consistent with the objective of the AIA to “provide an effective and efficient alternative to district court litigation.” *NHK Spring Co. v. Intrix-Plex Techs., Inc.*, IPR2018-00752, Paper 8, at 20 (P.T.A.B. Sept. 12, 2018) (quoting *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19, at 16–17 (P.T.A.B. Sept. 6, 2017))

(precedential)).

**A. The Parallel District Court Litigation and the Petition Involve the Same Parties**

As Petitioner notes, there exists a parallel District Court Litigation between the same parties regarding the same subject patent (the '783 Patent). Pet. at 1, 66. Petitioner is a party to the District Court Litigation captioned as *Truesight Commc'ns, LLC v. Transcend Information Inc.*, No. 2:24-cv-00186-JRG (E.D. Tex.). The District Court Litigation involves causes of action asserting the '783 Patent against Petitioner's products, which include memory modules and storage devices, such as SD cards, including, but not limited to, SD cards, microSD Cards, CFexpress cards, CompactFlash Cards, CFast 2.0 cards, and Expansion cards. Exhibit 1011. Petitioner concedes that it is a real party-in-interest and that Petitioner has not sought a stay in the District Court Litigation, nor will it until the IPR is instituted. Pet. at 66 ("Further, Petitioner intends to request a stay *if the IPR is instituted.*") (emphasis added). Petitioner also waited nearly eight months after service of Patent Owner's infringement contentions on Petitioner. Exhibit 2001.

Accordingly, this factor weighs strongly in favor of discretionary denial.

**B. The District Court Litigation Involves Substantially the Same Claims**

There is complete overlap between the claims and grounds at issue in this Petition and the District Court Litigation because the Petition challenges all claims

asserted in the District Court Litigation under the same grounds. Ex. 2002 at 3-4. “In at least these ways, the parallel proceedings would duplicate effort. This is an inefficient use of Board, party, and judicial resources and raises the possibility of conflicting decisions.” *Cisco Sys., Inc. v. Ramot at Tel Aviv Univ. Ltd.*, IPR2020-00122, Paper 15 at 10 (P.T.A.B. May 15, 2020).

Accordingly, this factor weighs strongly in favor of discretionary denial.

**C. Proximity of the District Court’s Trial Date**

The proximity of the District Court Litigation’s trial date to the Board’s projected statutory deadline for a Final Written Decision weighs strongly in favor of discretionary denial.

The parties’ trial is scheduled for January 5, 2026. Ex. 1010 (Second Amended Docket Control Order, Dkt. 31, *Truesight Commc’ns LLC v. Transcend Info. Inc.*, Case No. 2:24-cv-00186-JRG (E.D. Tex. October 15, 2024)). Pursuant to 35 U.S.C. §§ 314(b)(1) and 316(a)(11), the projected statutory deadline for a Final Written Decision of this Petition is October 16, 2026.<sup>1</sup> As the District Court’s trial

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<sup>1</sup> Patent Owner will file a timely preliminary response on July 16, 2025. The statutory deadline for institution is October 16, 2025, “three months after receiving a preliminary response to the petition under section 313.” *See* 35 U.S.C. § 314(b)(1). If instituted, the statutory deadline for a Final Written Decision is October 16, 2026,

will be *nearly nine months before* the projected statutory deadline, this factor weighs strongly in favor of denying institution. *See Supercell Oy v. Gree, Inc.*, IPR2020-00513, Paper 11 at 10-12 (P.T.A.B. June 24, 2020) (denying institution where the jury trial was scheduled to conclude approximately ten months before the statutory deadline); *Edward LifeSciences Corp. v. Evalve, Inc.*, IPR2019-01479, Paper 7, at 6-13 (P.T.A.B. Feb. 26, 2020) (denying institution where jury trial would conclude more than nine months before a final decision would be due); *Samsung Elecs. Am., Inc. v. Uniloc 2017 LLC*, IPR2019-01218, Paper 7, at 7-10 (P.T.A.B. Jan. 7, 2020) (denying institution where jury selection was scheduled for approximately six months before trial in the Board proceeding would conclude); *Next Caller Inc. v. TRUSTID, Inc.*, IPR2019-00961, -00962, Paper 10, at 8-16 (P.T.A.B. Oct. 16, 2019) (denying institution where trial was scheduled to conclude “several months,” before a final decision would be due); *Cisco Sys., Inc.*, IPR2020-00122, Paper 15 at 8 (“Because the trial date is substantially earlier than the projected statutory deadline for the Board’s final decision, this factor weighs in favor of discretionary denial.”); *Cisco Sys., Inc. v. Estech Sys., Inc.*, IPR2021-00329, Paper 13 at 7-15 (P.T.A.B. Jul. 6, 2021) (denied when two related trials predate FWD by

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“not later than 1 year after the date on which the Director notices the institution of a review.”

eleven months and seven months, respectively); *F5 Networks, Inc. v. WSOU Invs., LLC*, IPR2022-00239, Paper 12 at 7-8 (P.T.A.B. May 19, 2022) (denied when trial predates FWD by six months); *Google LLC v. EcoFactor, Inc.*, IPR2021-00488, Paper 12 at 11-12 (P.T.A.B. Aug. 11, 2021) (denied when trial predates FWD by six months); *Cisco Sys., Inc. v. Oyster Optics, LLC*, IPR2021-00238, Paper 10 at 11-13 (P.T.A.B. Jun. 1, 2021) (denied when trial predates FWD by seven months); *Samsung Electronics Co., Ltd. v. Truesight Communications LLC*, IPR2025-00123, Paper 12 at 6-7 (denied when trial predates FWD by six months). The near nine-month differential between the January 2025 trial date and the October 2026 FWD by far justifies discretionary denial.

Accordingly, this factor weighs strongly in favor of discretionary denial.

**D. Significant Investment and Petitioner's Delay in Filing the Petition**

The parties' investment in the parallel proceeding weighs strongly in favor of discretionary denial. In the District Court Litigation, the parties have already exchanged preliminary infringement and invalidity contentions, and the parties have already completed claim construction proceedings. The deadline for substantial completion of document production passed on June 5, 2025. Ex. 1010. Claim construction is also complete in the District Court Litigation

Before the October 16, 2025, statutory deadline for an institution decision, the parties will have completed fact and expert discovery, and the parties will have filed their dispositive motions and responses thereto in the District Court Litigation. *Id.* A trial date is set for January 5, 2026, which is approximately seven months away. *Id.* Accordingly, the parties' and Court's substantial investment in this proceeding weighs strongly in favor of denial of institution.

**E. No Stay of the Parallel District Court Litigation**

There is no stay of the parallel District Court Litigation. Petitioner concedes that it has not sought a stay in the District Court Litigation and will not seek a stay until the IPR is instituted. Pet. at 66 ("Further, Petitioner intends to request a stay *if the IPR is instituted.*") (emphasis added). Even if Petitioner files a motion to stay, the Eastern District of Texas routinely denies requests to stay pending IPRs before institution on all asserted claims of all asserted patents. *See Force Mos Tech., Co. v. ASUSTek Comput., Inc.*, No. 2:22-CV-00460-JRG, 2024 WL 1586266, at \*4 (E.D. Tex. Apr. 11, 2024) (citation omitted).

Accordingly, the lack of a stay and future unlikelihood of a stay before an institution decision weighs strongly in favor of denial of institution.

**F. Other Factors Favor Discretionary Denial**

Petitioner claims that the merits of the Petition and this IPR being the sole IPR challenging the '783 Patent weigh against discretionary denial. Pet. at 67. However,

the merits of the Petition are weak and rely extensively on a 66-page expert declaration to fill holes in the references. Taking claim 1 as an example, Petitioner relies on expert-asserted POSITA knowledge to teach missing elements in 1-Pre, 1B, 1C, 1D, 1E, 1F, 1G, 1H, and 1I. Petitioner's extensive reliance on and over-use of expert testimony should weigh in favor of denial.

When viewing the factors together, the Petition should be denied in the Director's discretion under 35 U.S.C. § 314(a).

### **III. CONCLUSION**

For the foregoing reasons, Patent Owner respectfully requests that the Director exercise discretion to deny institution of the Petition in its entirety.

Respectfully submitted,

Dated: June 16, 2025

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**CERTIFICATE OF WORD COUNT**

The undersigned hereby certifies that the portions of the above-captioned PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL OF INSTITUTION has 1,903 words in compliance with the 14,000 word limit set forth in 37 C.F.R. § 42.24. This word count was prepared using Microsoft Word for Office 365.

Respectfully submitted,

June 16, 2025

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**CERTIFICATE OF SERVICE**

A copy of the foregoing PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL OF INSTITUTION and Exhibits 2001 through 2002 have been served on Petitioner's counsel of record as follows:

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