

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TRANSCEND INFORMATION INC.,

Petitioner,

v.

TRUESIGHT COMMUNICATIONS LLC,

Patent Owner.

Case: IPR2025-00723
U.S. Patent No. 8,977,783

**OPPOSITION TO PATENT OWNER'S MOTION
FOR DISCRETIONARY DENIAL OF INSTITUTION**

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NEW EXHIBIT LIST

<i>Exhibit No.</i>	<i>Description</i>
1020	Declaration of Brock S. Weber
1021	Dkt. 34 – Joint Notice Regarding Claim Construction Proceedings, filed April 22, 2025
1022	Dkt. 35 – Claim Construction Order, filed April 28, 2025
1023	Plaintiff’s Disclosure of Asserted Claims and Infringement Contentions
1024	Assignment to Truesight Cover sheet reel/frame 059810/0410
1025	Assignment to MAP reel/frame 028713/0657

I. INTRODUCTION

Under the proper consideration of the pertinent factors, the Director should deny Patent Owner’s Motion for Discretionary Denial (Paper 6), which is partially based on interim guidance to PTAB judges that was issued after the Petition was filed. The factors favor institution at least because the (i) the parties have not expended many resources in the parallel district court action, which has not involved claim construction proceedings, significant document production, and has not involved any depositions, expert discovery, or dispositive motions; (ii) the subject Petition is strong, is simpler than the invalidity grounds involved in the district court action, is the sole Petition challenging U.S. Pat. No. 8,977,783 (“the ’783 Patent”), and addresses deficiencies in the Examiner’s searching during original prosecution; and (iii) the ’783 Patent sat dormant for nearly 10 years, such that any delay is attributed to Patent Owner, and the equities favor Petitioner.

As background, Patent Owner filed suit against Petitioner Transcend Information Inc. (“Petitioner” or “Transcend”) in the Eastern District of Texas, alleging patent infringement of the ’783 Patent, on March 15, 2024. Service was completed on May 21, 2024, and Patent Owner served infringement contentions on July 26, 2024. Ex[1020] at ¶ 2. Petitioner filed a request for Inter Partes Review on March 12, 2025, about two and a half months before the statutory deadline of

May 21, 2025. *See* 35 U.S.C. 315(b) (setting a deadline of one year after service of the complaint); Paper 1. On June 16, 2025, Patent Owner filed a motion requesting that the Director of the USPTO exercise discretion to deny the Petition under the interim guidance to PTAB judges dated March 26, 2025. Paper 6. Granting this motion is unwarranted.

II. PATENT OWNER’S MOTION FOR DISCRETIONARY DENIAL SHOULD BE DENIED

A. *Fintiv* and Interim Processes Factors

1. Existence of a Stay

Petitioner has not yet requested a stay, as the Office has not yet made a determination on institution. As such, it would be premature to stay the District Court case. The fact that there is no stay cannot be held as a factor in favor of discretionary denial given that the bifurcated process ensures that in *every* case, discretionary denial will be considered by the Director before there is an opportunity to obtain a stay from the District Court if that court requires institution before considering a stay. As noted by Patent Owner, requesting a stay before an institution decision would be fruitless, because “the Eastern District of Texas routinely denies requests to stay pending IPRs before institution on all asserted claims of all asserted patents.” Paper 6 at 8 (quoting *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)). However, the Eastern District of Texas has granted stays in similarly situated cases following institution. *See, e.g., Uniloc USA, Inc. v. Avaya Inc.*, 2017 WL 2882725, at *2 (E.D. Tex. Apr. 19, 2017) (“[t]he Court recognizes that this case is not in its infancy, and that a stay would interfere with ongoing proceedings. However, ‘it appears likely that the bulk of the expenses that the parties would incur in pretrial work and trial preparation are still in the future.’” (quoting *NFC Tech. LLC v. HTC Am., Inc.*, 2015 WL 1069111, at *3 (E.D. Tex. Mar. 11, 2015)). Therefore, this factor is neutral or favors institution.

2. Trial date

The scheduled trial date of January 5, 2026 is prior to the projected statutory deadline for a Final Written Decision. However, other factors outweigh this one, and the litigation trial date can change and is not determinative. *See, e.g., NetNut Ltd. v. Bright Data Ltd.*, IPR2021-01492, Paper 12 at 9-16 (PTAB Mar. 21, 2022) (instituting review with related litigation trial date six months before a final written decision); *CoolIT Sys., Inc. v. Asetek Danmark A/S*, IPR2021-01195, Paper 10, at 11-14 (PTAB Dec. 28, 2021) (same by five months); *Align Tech., Inc. v. 3Shape A/S*, IPR2021-01313, Paper 11, at 16-19 (PTAB Feb. 10, 2022) (same by four months).

3. Investment by the Parties

Patent Owner argues that the parties’ investment in the parallel proceeding weighs 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.”

Paper 6 at 7. This argument is inaccurate. There was no claim construction in the District Court. The parties did not identify any claim terms for construction and agreed that the plain and ordinary meaning of the claim terms would be used for the purposes of the case. Ex[1021]. The District Court accordingly cancelled the *Markman* hearing previously scheduled for July 17, 2025. Ex[1022].

With respect to discovery, Plaintiff has produced a total of 23 documents as of today’s date, July 16, 2025. Ex[1020]at ¶ 5. All of these documents appear to be publicly available, third-party documents. *Id.* Half of the pages consist of the patent-in-suit and its file history, and the other half are third-party SD Memory Card specifications. *Id.* No depositions have been noticed or taken, and no inspections of allegedly infringing code or devices have been performed. *Id.* at ¶ 6.

Notably, Patent Owner’s infringement contentions do not appear to particularly address any feature of Petitioner’s products, but rather are directed generally to an assertion that Petitioner’s products could be used in a system in an infringing way. References in Patent Owner’s claim charts are to general sources, and not to any specific characteristics of Petitioner’s actual products. Ex[1023],

passim. For example, the charts for elements 1[a], 1[b], 1[c], 1[d] all reference shutterstock.com webpages. *See id.*, 9, 10, 11, 12, 14. Similarly, 1[e] references samsung.com and sdcard.com, and 1[f] references 4centity.com and sdcard.org. *See id.*, 15-16, and 18-26.

Plaintiff has therefore invested nearly no effort into the parallel proceeding. This factor favors institution.

4. Overlap Between Issues

Patent Owner alleges that “[t]here 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.” Paper 6 at 4-5. This is an inaccurate characterization of the Petition.

Petitioner agrees that all asserted claims are challenged in the Petition, but the grounds are considerably different. In Petitioner’s Preliminary Invalidity Contentions, Petitioner identified 13 different grounds involving six different references and including three entirely separate primary references (Thompson, Kasahara ’268, and Wagner). In the Petition, there are four grounds relying on five references, and only a single primary reference, Thompson. That is, the grounds for consideration by the Board are substantially simpler than those asserted in the District Court. It would be much more efficient for the Board to decide invalidity

based on Thompson in various combinations than it would for the District Court to address invalidity based on three sets of combinations comprising Thompson, Kasahara '268, and Wagner.

Petitioner has offered from the start to file in the parallel district court litigation a stipulation that, if IPR is instituted, it will not pursue in the parallel litigation any ground that is raised or that could have reasonably been raised in an IPR. *See* Paper 1 at 67. This favors institution. *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 19 (PTAB Dec. 1, 2020) (precedential).

Therefore, this factor favors institution.

5. Identity of Parties

The parties are identical, but this is a circumstance out of Petitioner's control.

6. Other Circumstances

a. Strength of the merits

The merits of the Petition are strong. The primary reference relied on is Thompson, which teaches a digital content kiosk for writing digital media onto removable solid-state memory devices. Ex[1005] at [0031]. As with the '783 Patent, Thompson discloses a kiosk distribution system that includes a customer interface module, a transaction module for processing payments, and programming circuitry for writing content to a solid-state storage medium, such as a SD card, and security aspects of the kiosk system are described extensively throughout the

specification. Ex[1005] at [0042], [0044], [0105], [0106]-[0113]; *see also* Paper 1 at 10. Therefore, this factor favors institution.

b. Patent Office Error

The Patent Office erred in granting the '783 Patent. During prosecution of the application that matured into the '783 Patent, the USPTO issued one non-final rejection dated May 7, 2013, one final rejection dated December 5, 2013, and an advisory action dated March 20, 2014. Ex. [1002] at 080, 103, 158. In each of the two rejections, the office relied on U.S. Pat. No. 8,306,918 to Farrugia as the primary reference in an obviousness rejection. *Id.* at 108, 160. In response to the advisory action, the applicant filed a notice of appeal on May 5, 2014, and an appeal brief on July 7, 2014. *Id.* at 071, 040.

In response to the non-final office action, the applicant argued that Farrugia was non-analogous art, as it did not relate to “downloading media content to SD cards or distributing media content from a kiosk.” *Id.* at 145. In response to the final office action, the applicant once again made the assertion that Farrugia is non-analogous in a portion of its response providing an interview summary. *Id.* at 091.

The references of record do not teach, suggest, or motivate at least this aspect of each independent claim, alone or in any motivated combination. Farrugia, the Examiner's main reference, has nothing to do with kiosks or SD cards. Rather it is directed to a media storage data structure (a media file) and method that allows servers to provide and send different keys to a client device for decrypting separate, multiple pieces of content (e.g., a separate key may be sent for each piece of content). (Farrugia, col. 5, line 65 – col. 7, line 7, hereinafter in col#:line# format.) A data structure (the media file) containing one or more pieces of encrypted content and

Ex. [1002] at 045

Finally, in its appeal brief, applicant again relied on arguing that Farrugia was not relevant to the claimed invention. *Id.* at 045. In response to the appeal brief, a notice of allowance was issued on October 24, 2014. *Id.* at 026.

Thus, a key issue throughout the prosecution was that the USPTO did not present a primary reference that was related to a digital content kiosk for writing digital media onto removable solid-state memory devices in general and SD cards in particular. Petitioner has identified not one, but two references in Thompson and Kasahara '268 that clearly overcome this deficiency in the Examiner's search. In cases where the office has overlooked the teachings of a relevant reference, the Director has refused to grant a request for discretionary denial. *See Tesla Inc. v. Charge Fusion Technologies, LLC*, IPR2025-00152, IPR2025-00153, Paper 11 at 2-3 (PTAB June 12, 2025) and *Microsoft Corporation v. Partec Cluster*

Competence Center GMBH, IPR2025-00318, Paper 9 at 3 (PTAB June 12, 2025).

Therefore, this factor favors institution.

c. Reliance on Expert Declarations

Patent Owner takes the position that Petitioner relies heavily on expert testimony to support its case for invalidity. Patent Owner states, for example, that Petitioner relies on its expert declaration to teach missing elements in 1[pre]. However, Patent Owner argues in its infringement contentions that 1[pre] is non-limiting, which renders its contention that an expert is required to teach missing elements irrelevant. Ex[1023], Appendix A, at 4. Moreover, the sole fact for which the Petition relies on expert opinion with respect to 1[pre] is that the express disclosure of a solid-state memory device would have been understood to include an SD card. Paper 1 at 21. Thompson explicitly describes the possibility that the user may be using “a player that uses SD cards.” *See* Ex[1005] at [0055]. Beyond that, Kasahara ’268 is cited as teaching, in a similar system, the use of an SD card. Paper 1 at 22. With respect to the other sections mentioned in Patent Owners Motion, the Expert report similarly offers clarification of features present in the cited reference(s).

Without repeating the entirety of Petitioner’s invalidity analysis, some examples are 1[b], where rather than relying on Expert testimony, the Petition states,

“Thompson discloses this limitation.” Paper 1 at 24. The expert is cited as supporting the idea that *if* Thompson can be read to lack “a corresponding metadata file” it would have been obvious to include a metadata file with the video content of Thompson. Paper 1 at 25. The Petition goes on to reference Thompson’s explicit disclosure of downloading additional information such as “extra features” or “additional video” along with the expert’s opinion that including metadata such as a title of a downloaded video was common practice. *Id.*

With respect to features 1[c], 1[d], 1[e], 1[f], 1[g], 1[h], and 1[i], each respective section of the Petition relating to these items begins with either “Thompson discloses this limitation” (1[c], 1[d]), “Thompson and Kasahara, alone or in combination, teach this limitation,” (1[e], 1[f], 1[g], 1[h], and 1[i]). That is, it is clear from the text of the Petition that the expert declaration serves only to clarify or interpret the references and is not used to fill in any missing elements.

Therefore, this factor favors institution.

d. Settled Expectations Between the Parties

Patent Owner obtained ownership of these patents on December 22, 2021. Ex[1024]. Prior to that, the patent was dormant. First, it passed from the original owner MOD Systems to MOD Asset Preservation LLC as part of a foreclosure action in March of 2011. Ex[1025], 1. Then, it passed to Media IP, LLC in June of

2012. *Id.* at 3. There is no record that Media IP asserted the '783 Patent against any party, and Transcend had no reason to believe that it was infringing a patent that requires a kiosk, which Transcend is not even alleged to make or use.

Thus, to the extent that there were any settled expectations, they were that Media IP, owner of the patent for nine years prior to transfer to Truesight, was not concerned with the activities of Transcend as they related to the '783 Patent. As between the relatively new owner Transcend and Patent Owner Truesight, there is a relatively short period of time between the assignment to Truesight and the filing of the parallel district court proceeding.

Therefore, this factor favors institution.

e. Sole IPR

Finally, this IPR is the sole IPR challenging the '783 Patent before the Board, which favors institution. *Google LLC v. Uniloc 2017 LLC*, IPR2020-00115, Paper 10 at 6 (PTAB May 12, 2020).

III. CONCLUSION

Petitioner has shown in its Petition a strong case that each of the challenged claims is invalid. The *Fintiv* factors and the considerations set out in the March 25 Memorandum regarding the Interim Processes favor institution. Patent Owner's Motion should be denied.

Dated: July 16, 2025

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

1. The undersigned certifies that this brief complies with the type volume limitations of 37 CFR § 42.24(a)(1)(i). This brief contains 2357 words (excluding the table of contents, the table of authorities, the certificate of service, certificate of compliance, and appendix of exhibits), as calculated by the “Word Count” feature of Microsoft Word 360, the word processing program used to create it.

2. The undersigned further certifies that this brief complies with the typeface requirements of 37 CFR § 42.6(a)(2)(ii) and typestyle requirements of 37 CFR § 42.6(a)(2)(iii). This brief has been prepared in a proportionally spaced typeface using Microsoft Word in Times New Roman 14-point font.

Dated: July 16, 2025

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CERTIFICATE OF SERVICE

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