UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

v.

VB ASSETS, LLC,
Patent Owner

IPR2025-00871
U.S. Patent No. 10,510,341

PATENT OWNER'S DISCRETIONARY DENIAL BRIEF

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Ex. 2001	Declaration of Andrew J. Ligotti
Ex. 2002	https://www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf ("Acting Director Memo")
Ex. 2003	https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management ("FAQs")
Ex. 2004	*VB Assets, LLC v. Samsung Electronics Co., Ltd. et al.*, No. 2:24-cv-00828 (E.D. Tex. Oct. 9, 2024), Dkt. 1 ("Complaint")
Ex. 2005	Excerpts of Prosecution History of U.S. Patent No. 10,891,968
Ex. 2006	U.S. Patent No. 8,073,681 ("'681 Patent")
Ex. 2007	*VB Assets, LLC v. Amazon.com Servs. LLC*, No. 1:19-cv-01410-MN, Dkt. 291 (D. Del. Nov. 8, 2023) ("Amazon Delaware Litigation Jury Verdict")
Ex. 2008	*VB Assets, LLC v. Amazon.com Servs. LLC*, No. 1:19-cv-01410-MN, Dkt. 352 (D. Del. June 9, 2025) ("Amazon Notice of Appeal")
Ex. 2009	*VB Assets, LLC v. Samsung Electronics Co., Ltd. et al.*, No. 2:24-cv-00828, Dkt. 42 (E.D. Tex. Apr. 4, 2025) ("EDTX Litigation Amended Docket Control Order")
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Ex. 2011	Docket Navigator Statistics
Ex. 2012	*VB Assets, LLC v. Samsung Electronics Co., Ltd. et al.*, No. 2:24-cv-00828, Samsung Elecs. Co., Ltd. and Samsung Electronics America Inc.'s Invalidity and Subject Matter Eligibility Contentions (April 29, 2025) ("Samsung EDTX Litigation Invalidity Contentions")
Ex. 2013	Exhibit G-2, Subject Matter Eligibility Contentions for '341 Patent
Ex. 2014	Samsung Notice of Deposition Subpoena to Carnegie Mellon University (May 14, 2025)
Ex. 2015	Samsung Notice of Documents Subpoena to Carnegie Mellon University (May 14, 2025)

Exhibit Number	Description
Ex. 2016	Samsung Notice of Deposition Subpoena to Mavenir Systems, Inc. (May 14, 2025)
Ex. 2017	Samsung Notice of Documents Subpoena to Mavenir Systems, Inc. (May 14, 2025)
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Ex. 2019	Samsung Notice of Documents Subpoena to Xura, Inc. (May 14, 2025)
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Ex. 2021	Plaintiff's Rule 30(B)(1) Notice of Oral and Videotaped Deposition of Ho-Jung Ahn (July 18, 2025)
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Ex. 2023	August 5, 2025 Letter from D. Kline to Erik Carlson
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I. INTRODUCTION

VB Assets, LLC ("VB Assets" or "Patent Owner") respectfully submits this brief requesting that the Board deny institution of the Petition for *inter partes* review (Paper 1 or "Pet.") filed by Petitioners Samsung Electronics Co. Ltd. and Samsung Electronics America, Inc. ("Petitioners" or "Samsung") pursuant to §314(a) and the Acting Director's March 26, 2025 Memorandum[1] titled "Interim Processes for PTAB Workload Management" (hereafter "Director Memo").

The Petition seeks *inter partes* review ("IPR") of claims 1-18 (the "Challenged Claims") of U.S. Patent No. 10,510,341 (the "'341 Patent," Ex. 1001). The '341 Patent and five other patents[2] (collectively, the "VB Assets

[1] *See* Ex. 2002 (Acting Director Memo) (https://www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf); Ex. 2003 (FAQs) (https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management).

[2] Petitioners filed IPR petitions against all five of these other patents. *See* IPR Nos. 2025-00866, -00867, -00868, -00869, -00870. Four of the other IPRs were accorded

Patents") are the subject of the co-pending patent infringement action that VB Assets brought on October 9, 2024 against Samsung in the Eastern District of Texas as Civil Action No. 2:24-cv-00828 (the "EDTX Litigation").

VB Assets filed discretionary denial briefs in IPR2025-00866, -00867, -00868, and -00869 on July 21, 2025. Importantly, IPR2025-00866 challenged U.S. Patent No. 8,073,681, the ultimate parent patent of the '341 Patent and U.S. Patent No. 10,755,699 (the "'699 Patent"), which Samsung challenges in IPR2025-00870. The arguments set forth herein are substantially similar to the arguments set forth in VB Assets' four previously filed discretionary denial briefs, but there is an important difference: the final written decision in this IPR is on an even later timeline relative to the trial date, which weighs heavily in favor of discretionary denial. Since very similar issues exist in all six IPRs, the Board should decline to institute this IPR and IPR2025-00870 if the other four are discretionarily denied. This is especially true since the '681 Patent and the '765 Patent are in the same patent family as the '341 Patent and the '699 Patent.

The Petition and the EDTX Litigation are not the first time that Samsung has encountered and evaluated the VB Assets Patents. Over a decade ago, around

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filing dates a few eeks earlier than the present IPR, while the remaining one shares the filing date of this proceeding.

September 2012, Samsung expressed interest in licensing or purchasing VB Assets Patents. Ex. 2004 (Complaint), Paragraphs 36-42. In December of that same year, Samsung offered to buy at least U.S. Patent No. 8,073,681 (the "'681 Patent") (Ex. 2006, the parent of the '341 Patent, and license other VB Assets Patents, including the patents challenged in the other five IPR petitions. *Id*. Around 2013, instead of buying or licensing the patents, Samsung entered into a strategic partnership with Patent Owner's predecessor to develop Samsung's first voice assistant: S-Voice. *Id*.

Abruptly, Samsung announced a new, different product on October 18, 2017—its Bixby 2.0 voice assistant—which practices the inventions of the VB Assets Patents despite the fact that Samsung knew about but never secured any rights to use the VB Assets Patents in its new product (which it still sells to this day). After the announcement of this infringing product, Samsung rejected efforts to re-open discussions regarding the VB Assets Patents. *Id*. Despite this, Samsung never challenged their validity until now.

Now, years after the '341 Patent issued in 2019 and after nearly a decade of silence from Samsung regarding the validity of the VB Assets Patents, Samsung furiously contests the validity of the VB Assets Patents (including the '341 Patent) in the Petition while also doing so in the EDTX Litigation.

These challenges come in spite of the fact that the ultimate parent of the '341 Patent, the '681 Patent, has already withstood multiple challenges. For example, the

Board denied institution of an IPR petition filed in 2020 by Amazon to challenge the '681 Patent. (*See* IPR No. 2020-01367, the "Prior IPR," Paper 27). Beyond this, a District of Delaware jury rejected validity challenges to the '681 Patent when it found the patent to be valid and infringed by Amazon, alongside several other VB Assets patents that Petitioners now challenge (*see* Civil Action No. 1:19-cv-01410, the "Amazon Delaware Litigation"). In view of the settled expectations of the parties given Samsung's knowledge of the VB Assets Patents (including the '681 Patent) since at least 2011, the considerable resources already spent confirming the validity of the parent of the '341 Patent, the nearly six-year lifespan of the '341 Patent, Petitioners' robust validity challenges in the EDTX Litigation, and the factors discussed below, the Petition should be rejected and institution should be denied.

Denial is also warranted in the interests of efficiency and fairness. Samsung's invalidity arguments in the district court are more expansive and include combinations of the prior art asserted in these proceedings with unpublished system prior art, meaning that the EDTX Litigation is the most suitable venue to evaluate all of Samsung's challenges in view of all the evidence. Denial of this Petition—to allow the parties to focus on Samsung's full validity challenges in the EDTX Litigation—is the most efficient outcome and achieves the AIA's intended efficiency goals better than a half-dozen IPR proceedings that ask the Board to issue final written decisions months after a jury renders a verdict on the VB Assets Patents.

Indeed, these combinations will be evaluated in the district court far in advance of any final written decision in these cases. Institution, in short, creates duplicative workloads, adds uncertainty, and risks inconsistent positions.

All told, there are many reasons to deny institution, as an evaluation of the discretionary denial factors confirms: all the Director Memo factors and *Fintiv*[3] factors weigh in favor of denying institution or are at the very least, neutral.

As highlighted above, Patent Owner has settled expectations that the '341 Patent is valid and enforceable since it has been in force since its issuance in 2019, especially in light of the multiple validity challenges to its parent during that time. Samsung's knowledge of the patents since that time drives the point home: both parties had settled expectations that weigh against institution. As to the remaining Director Memo factors: (1) the validity of the parent of the '341 Patent, the '681 Patent, was already adjudicated both at the PTAB and by a District of Delaware judge and jury; (2) the Petition relies extensively on expert testimony to fill gaps in the cited references; and (3) the EDTX Litigation is more efficient because it encompasses all six patents, whereas this IPR would only resolve a subset of Samsung's patentability challenges to the '341 Patent and there would still need to

[3] *Apple v. Fintiv, Inc*., No. IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential).

be five other IPR proceedings to achieve just a portion of the validity side of the EDTX Litigation.

As to the *Fintiv* factors: (1) there is no request for a stay in the EDTX Litigation and even if there were, a stay is unlikely; (2) the EDTX Litigation is set to go to trial five months before the Board's deadline to issue a final written decision in this proceeding and more than four months before the IPRs of four other VB Assets Patents; (3) the parties have already invested significant resources in the EDTX Litigation; (4) all of Petitioners' invalidity theories are simultaneously raised in the EDTX Litigation and the filed stipulation—as well as the recently-served updated stipulation—does nothing to allay concerns of gamesmanship; (5) the parties in this proceeding are the same as the parties in the EDTX Litigation; and (6) the merits of Petitioners' case are weak.

Accordingly, institution should be denied.

II. LEGAL STANDARDS

It is Petitioners' burden to demonstrate unpatentability by a preponderance of the evidence. The Petition must establish, with particularity, the grounds and evidence that support invalidating the patented claims. 35 U.S.C. §312(a)(3). Petitioners "must 'specify where each element of the claim is found in the [relied upon] prior art patents.'" *In-Depth Geophysical, Inc. v. ConocoPhillips Co.*, IPR2019-00850, Paper 56, *27 (PTAB Sept. 3, 2020) (quoting 37 C.F.R. §

42.104(b)(4)). Petitioners must demonstrate that the prior art "discloses[] within the four corners of the document . . . all of the limitations claimed," and that disclosure must be "arranged or combined in the same way as recited in the claim." *Net MoneyIN, Inc. v. VeriSign, Inc.,* 545 F.3d 1359, 1371 (Fed. Cir. 2008).

In addition, the Board makes its determination regarding institution based on what the Petition *actually presents* and not what it could have reasonably contained had it been drafted differently. *In re Magnum Oil Tools Int'l, Ltd.,* 829 F.3d 1364, 1381 (Fed. Cir. 2016) (holding that the Board is *not* "free to adopt arguments on behalf of petitioners that could have been, but were not, raised by the petitioner during [a post-grant proceeding]"). As will be explained further below, this dooms the Petition. The Board cannot "deviate from the grounds in the petition and raise its own" theories of invalidity. *Sirona Dental Sys. GmbH v. Institut Straumann AG,* 892 F.3d 1349, 1356 (Fed. Cir. 2018).

In addition to the underlying failures of the Petition, the Board should deny institution pursuant to discretionary factors committed to the Board's discretion under §314(b), including the Director Memo factors and *Fintiv.*

The Director Memo identified a non-exhaustive number of factors that may be considered by the Board when evaluating how to apply the Board's discretion under §314(b) (hereafter, the "Memo Factors") including (but not limited to):

1. Whether the PTAB or another forum has **already adjudicated** the validity or patentability of the challenged patent claims;
2. Whether there have been **changes in the law** or new judicial precedent issued since issuance of the claims that may affect patentability;
3. The **strength** of the unpatentability challenge (related to *Fintiv* Factor 6, below);
4. The extent of the petition's **reliance on expert testimony**;
5. **Settled expectations** of the parties, such as the length of time the claims have been in force;
6. **Compelling** economic, public health, or national security **interests**; and
7. Any **other considerations** bearing on the Director's discretion.

Director Memo at 2-3. The Board's FAQs further indicate that "[t]he Process Memorandum includes a ***non-exhaustive*** list of issues that may be raised in discretionary briefing. Parties are encouraged to address ***any*** fact or circumstance they believe bears on the Director's discretion to institute, including reasons not discussed in current Board precedent or in the Process Memorandum." Ex. 2003 (FAQs), at Q.11 (emphasis added).

Furthermore, the *Fintiv* factors include:

1. Whether the court has granted a **stay** or evidence exists that one may be granted if an IPR is instituted;

2. The **proximity of the court's trial date** to the PTAB's projected statutory deadline for a final written decision;
3. The **investment** in the parallel proceeding by the court and the parties;
4. The **overlap** between issues raised in the petition and those 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 PTAB's exercise of discretion, **including the merits** of the petition.

Fintiv at 6. The Board takes a "holistic view" of whether efficiency and integrity of the system are best served by denying or instituting review. *Id.*

III. THE BOARD SHOULD NOT INSTITUTE INTER PARTES REVIEW UNDER §314(A)

A. The Director Memo Factors Weigh Against Institution

1. Settled Expectations Favor Denial

"Settled expectations" is generally directed to the length of time the claims have been in force. This factor weighs heavily in favor of denying institution.

By the time of the institution decision in this proceeding, the '341 Patent will have been in force for over six years—since December 17, 2019. *See, e.g.*, *Amgen Inc. v. Bristol-Meyers Squibb Co.*, IPR2025-00601, -00602, Paper 9 at 3 (Director July 24, 2025) ("In particular, the challenged patents have been in force for seven

and six years, respectively, creating strong settled expectations for Patent Owner[.]").

Not only this, but Samsung has been aware of the parent patent of the '341 Patent family specifically and the VB Assets Patents generally for well over a decade and only now challenges the '341 Patent in an IPR. Samsung knew of the parent of the '341 Patent, the '681 Patent, at least through negotiations towards purchase or license of the VB Assets Patents in 2012. Ex. 2004 (Complaint), at Paragraph 36. *NVIDIA Corporation v. Neural AI, LLC*, IPR2025-00606, -00608, Paper 18 at 2–3 (Director July 31, 2025) (finding that petitioner's failure to seek early review of the patents favored discretionary denial where petitioner and the original patent owner "had a commercial relationship and, in 2017, [original patent owner] sent Petitioner a presentation that included a discussion of [original patent owner's] patent portfolio, including the patent challenged in IPR2025-00606 and the original patent that the patent challenged in IPR2025-00608 issued from.") Since those negotiations, Samsung cited the parent patent of the '341 Patent, the '681 Patent, as prior art in an information disclosure statement during prosecution of Samsung's U.S. Patent No. 10,891,968 on January 31, 2018. Ex. 2005.

Further still, between Samsung's first knowledge of the VB Assets Patents—including specifically the '681 Patent—and now, Samsung developed and released an infringing product. Samsung admits that it announced a version of the accused

product on October 18, 2017—nearly eight years ago but also six years after it knew of the ’341 Patent family and was aware of its relative importance in the voice assistant and natural language understanding industry. But Samsung never challenged its validity during all that time. This again demonstrates settled expectations. *See SIG Sauer, Inc. v Lone Star Future Weapons, Inc.*, IPR2025-00410, Paper 13 at 2 (Director June 26, 2025) (denying institution where the challenged patent “issued over 10 years ago, and Petitioner subsequently developed a competing product without challenging this patent.”).

This Director Memo factor strongly favors denial of institution because the claims of the ’341 Patent have been in force since 2019 and Samsung has been aware of the ’341 Patent family but decided not to challenge it until now. *iRhythm Technologies, Inc. v. Welch Allyn*, IPR2025-00363, -00374, -00376, -00377, 00378, Paper 10 at 3 (Director June 6, 2025) (“Petitioner’s awareness of Patent Owner’s applications and failure to seek early review of the patents favors denial and outweighs the above-discussed considerations.”); *Amgen Inc. v. Bristol-Meyers Squibb Co.*, IPR2025-00601, -00602, Paper 9 at 3 (Director July 24, 2025) (finding strong settled expectations when a challenged patent had been in force for six years); *see also iRhythm Techs.*, Paper 13 (denying Director Review request).

2. Prior Adjudication of the ’341 Patent’s Parent, the ’681 Patent, by the PTAB and other Forums Favors Denial

This prior adjudication factor is directed to “whether the PTAB or another forum has already adjudicated the validity or patentability of the challenged patent claims.” Here, while the ’341 Patent has not been previously challenged, both the PTAB and a district court have previously considered the ’681 Patent, which is the ultimate parent of the ’341 Patent.

Multiple unsuccessful validity challenges to the VB Assets Patents, including the ’681 Patent, reinforces denial under this factor. In March 2022, the PTAB issued a final written decision determining none of challenged claims 1-42 of the ’681 Patent to be unpatentable. These challenged claims are coextensive with claims 1-36 of the ’681 Patent challenged by Samsung in co-pending IPR2025-00867. *Amazon.com, Inc. et al. v. VB Assets, LLC*, IPR2020-01367, Paper 27 (PTAB Mar. 7, 2022). The claims of the ’681 Patent that withstood prior challenges overlap with the Challenged Claims of the ’341 Patent. *Compare* Ex. 2006, cl. 1 *with* Ex. 1001, cl. 1; *compare* Ex. 2006, cl. 25 *with* Ex. 1001, cl. 10.

Second, the validity of the ’681 Patent was challenged in the Amazon Delaware Litigation, and a jury upheld the validity of the ’681 Patent in November 2023. Ex. 2007 (Amazon Delaware Litigation Jury Verdict). Although only claim 13 of the ’681 Patent was presented to the jury, many of the independent claims were

asserted and challenged throughout expert discovery, but none were invalidated by the district court. Amazon is currently appealing its failed challenge to the '681 Patent to the Federal Circuit. Ex. 2008.

Thus, prior adjudication weighs strongly against institution. *See Celltrion, Inc. v. Regeneron Pharmaceutics, Inc.*, IPR2025-00456, Paper 14 at 2 (Director June 25, 2025) (exercising discretion to deny institution when other forums have already adjudicated the validity of the challenged patent claims).

3. Heavy Reliance on Expert Testimony, Including to Fill Gaps in the Prior Art's Teachings, Favors Denial

The Acting Director also considers the "extent of the petition's reliance on expert testimony." The FAQs further explain:

> While the Board may consider expert testimony, as a matter of efficiency, extensive reliance on expert testimony and/or reasonable disputes between experts on dispositive issues may suggest that the questions are better resolved in an Article III court. The statute and our reviewing court require that petitions be based on prior art patents and printed publications. As the judges have technical and legal expertise, it is not necessary for an expert to explain every aspect of the prior art. It is most helpful if an expert is providing focused testimony, for example to provide helpful context or to explain terms of art. The failure to provide focused expert testimony may weigh against institution.

Ex. 2003 (FAQs), at Q.21.

This factor favors denial because, as explained herein with respect to *Fintiv* Factor 6 and the Director Memo concerning the merits, Petitioners rely heavily on

expert argument, assumptions, and inferences to fill in the gaps of the prior art and allegedly arrive at the claimed invention. *See generally*, Ex. 1003.

The declaration lacks focus because, for example, it provides only a cursory analysis of the prior art using language that tracks the Petition (*compare, e.g.,* Ex. 1003, ¶¶ 160-167 *with* Petition, 25–30; *compare* Ex. 1003, ¶ 213 *with* Petition, 61). Petitioners and its expert follow this same pattern throughout the claims leaving many aspects of the expert declaration essentially no different in scope and content than the corresponding aspect of the Petition itself.

Where limitations are not present in the asserted references, Petitioners rely heavily on Mr. Lipoff's testimony. For example, none of the references in Ground 2 disclose that "the long-term knowledge includes at least one or more expired items of short-term knowledge" as required by the claims, and the Petition relies on Mr. Lipoff's testimony to fill this gap. *See* Petition, 63; Ex. 1003, ¶ 220. Moreover, Petitioners reliance on Mr. Lipoff's testimony that a POSITA would have understood that parts of Ross's conversational record would be moved to Barbara's information database to fill this gap is misplaced because Mr. Lipoff fails to provide testimony to reconcile the inconsistencies between the purging of the conversational record disclosed in Ross and Barbara's information and knowledge databases which work by maintaining the history of what people have said. Ex. 1003, ¶ 220.

Worse, however, is that Petitioners' expert declaration fails to offer testimony to explain fundamental flaws that are in the Petition. For instance, and as described further in Section III.B.6, Petitioners allege that the SmartKom-Kobsa combination satisfies the "predetermined time" limitations of the claims because "SmartKom's discourse state is 'based on the three-tiered context representation presented in Luperfoy (1992).'" Petition, 17. However, Luperfoy is not a part of the asserted grounds, and Mr. Lipoff offers no testimony as to why a POSITA would rely on Luperfoy to describe the system disclosed in SmartKom as Petitioners do. As explained in Section III.B.6, Mr. Lipoff fails to even address Petitioners' reliance on Luperfoy, let alone that SmartKom's discourse state is actually based on a *compilation* of disclosures and the corresponding complexity necessarily introduced. Ex. 1005, 242.

Additionally, like the Petition, Mr. Lipoff identifies ***both*** SmartKom's disclosure of an "interaction model" ***and*** Kobsa's disclosure of the General User Modeling System ("GUMS") to satisfy the limitations requiring "accumulating long-term knowledge. Petition, 21-22; Ex. 1003, ¶¶ 156-159. Mr. Lipoff fails, however, to provide any testimony as to how and why a POSITA would combine incorporate Kobsa's GUMS with SmartKom's interaction model in a manner that is consistent with the claims. *Id*.

These are merely examples and there is no shortage of additional failings where Petitioners' expert stops short of offering testimony that *would* aid the Board and instead lists disjointed disclosures of the prior art without providing a coherent explanation as to how or why they would be combined. *See, e.g.*, Ex. 1003, ¶¶ 131-143.

Patent Owner, in its POPR, will explain why Petitioners' arguments, assumptions, and/or inferences are incorrect and do not meet the claim limitations. Regardless, and because of the extensiveness of the Petitioners' reliance on the extensive testimony of its expert to establish the claimed invention, this dispute is better suited to resolution in an Article III district court, and this factor favors denial of institution. Ex. 2003 (FAQs) at Q.21.

4. Other Factors Favor Denial

The Acting Director has also indicated that she will consider any other factors when evaluating whether to apply discretionary denial. This last factor favors denial because institution would create the exact inefficiencies that Acting Director's interim guidance is designed to protect against.

The EDTX Litigation involves six patents in a single unified district court proceeding brought on October 9, 2024. Ex. 2004. However, Samsung waited until

May 2025 to then file (to date) six IPR petitions[4] challenging all six patents in an attempt to avoid or delay a single streamlined district court trial, which would frustrate the intended efficiencies of the AIA. Taken together with Samsung's longstanding knowledge of the patent family even as it developed a competing product (*see* Section III.A.1, *supra*), its IPR challenges should be denied.

Further, even if an evaluation of the Director Review factors come out differently for the'341 Patent challenged in this IPR and the '699 Patent challenged in IPR2025-00870, it would be inefficient to institute IPR on just the '699 and '341 Patents but not the other four patents challenged by Samsung. Doing so, especially because the '681 Patent and the '765 Patent are in the same patent family as the '341 Patent and the '699 Patent, increases the risk of inconsistent outcomes among patent family members and risks inefficiencies of parallel proceedings on invalidity.

In essence, Petitioners attempt to convert a single district court proceeding into ***the same*** district court proceeding, ***plus*** six separate IPR trials (involving invalidity determinations by potentially up to 18 factfinders, not including the

[4] *See* IPR Nos. 2025-00866, -00867, -00868, -00869, -00870, -00871.

district court).[5] Petitioners' IPRs create the duplicative workloads, inefficiency, and potential for inconsistent results that the Acting Director's interim guidance is designed to prevent. *See, e.g.*, *Comcast Commc'ns, LLC v. Entropic Commc'ns, LLC s, LLC*, IPR2025-00183, -00184, -00185, Paper 11 at 3 (Director June 25, 2025) ("The presence of multiple parallel proceedings and avoidance of duplicative workloads and inconsistent outcomes favor discretionary denial."). A single Article III proceeding has the strong potential to be the fastest and most efficient resolution of the Parties' many disputes, which favors denial of institution.

[5] Even further, the '341 Patent and a subset of the VB Assets patents are also part of another district court litigation involving Patent Owner and Apple (*VB Assets LLC v. Apple, Inc.*, No. 1:24-cv-01368-MN (D. Del.)). Because there are multiple ongoing district court proceedings, discretionary denial reduces the chances of duplicative workloads and inconsistent outcomes. *Comcast Commc'ns, LLC v. Entropic Commc'ns, LLC*, IPR2025-00183, -00184, -00185, Paper 11 at 3 (Director June 25, 2025).

B. The *Fintiv* Factors Weigh Against Institution

1. *Fintiv* Factor 1: The District Court Has Already Stated It Will Not Issue a Stay In Similar Circumstances, Which Favors Denial

***Fintiv* Factor 1** favors denial of institution because of the co-pending EDTX Litigation.

First, Patent Owner has not requested a stay in the EDTX Litigation pending institution of this IPR (or the ***five other*** co-pending IPR petitions of the VB Assets Patents), and even if a stay were requested, the evidence shows that it is unlikely to be granted. Petitioners present no evidence in their Petition that they have requested a stay or that a stay is likely. When petitioners present no evidence that a stay is likely in parallel proceedings, the Board has found *Fintiv* Factor 1 to favor discretionary denial. *See Luxshare Precision Industry v. Amphenol Corp.*, IPR2022-00132, Paper 10 at 9 (PTAB May 3, 2022). The Court in the Eastern District of Texas is on record that it "has a consistent practice of denying motions to stay when the PTAB has yet to institute post-grant proceedings" as to all patents at issue. *Force MOS Tech. Co., Ltd. v. ASUSTeK Computer, Inc.*, Case No. 2:22-cv-000460, ECF No. 74, (E.D. Tex. April 10, 2024) (citations omitted). The district court will, therefore, not stay the underlying action while institution decisions remain pending in any IPR proceeding.

As applied to the EDTX Litigation, a motion for a stay would not be ripe until institution is decided in the last of Petitioners' six IPR challenges. Furthermore, Petitioners would need to prevail on institution of ***all six IPR petitions*** for there to be any chance of a stay in the district court proceeding—an unlikely outcome (particularly in view of the weak merits). The high likelihood of an eventual district court trial on at least one patent claim weighs against the likelihood of the EDTX Litigation being stayed and therefore strongly favors denial. *See, e.g.*, *MyPort, Inc. v. Samsung Electronics Co., Ltd.*, Case No. 2:22-cv-00114, ECF No. 73 (June 13, 2023) (denying request for stay when final written decision in pending IPRs were scheduled to issue two months after trial, even though the Court had not yet held a Markman hearing, in view of the parties substantial investment in the case and the plaintiff's interest in timely vindication of its patent rights).

Thus, *Fintiv* Factor 1 weighs heavily against institution because of the EDTX Litigation.

2. *Fintiv* Factor 2: Any Final Written Decision Will Occur After the District Court's Scheduled Jury Trial Date, and Decisions in Other IPRs Would Occur Even Later

***Fintiv* Factor 2** weighs heavily against institution.

In the EDTX Litigation, trial is scheduled for July 6, 2026. Ex. 2009 (EDTX Litigation Amended Docket Control Order). Trial on the VB Assets Patents will therefore be complete ***more than five months before*** December 10, 2026, the

statutory deadline for the Board to issue a final written decision in this IPR (assuming the Board's institution decision is dated December 10, 2025), which is the latest of the six IPRs filed by Petitioners. Ex. 2009 (EDTX Litigation Amended Docket Control Order); IPR2025-00871, Paper 6.

The currently scheduled district court trial date of July 6, 2026, is both conservative and achievable in view of median time to jury trial statistics. The median time to jury trial in patent cases filed before Judge Gilstrap after January 1, 2020 (which is a conservative estimate because it includes many cases delayed due to the Covid-19 epidemic) is just 20.6 months after the filing of the original district court complaint. Ex. 2011 (Docket Navigator Statistics). Applying that median time to trial to the date VB Assets filed its complaint, October 9, 2024, suggests an expected trial date in mid-to-late June of 2026. If anything, these statistics indicate that the trial date set in the EDTX Litigation is generous.

Thus, when considering either the scheduled jury trial date or the district court's median time-to-trial statistics, Samsung's six petitions challenging the VB Assets Patents will result in final written decisions (assuming they are all instituted), until the very end of 2026. This will be more than five months after the jury issues its verdict and almost six months after the median time-to-trial in cases filed after January 1, 2020.

The Director has denied institution in view of smaller gaps between the final written decisions and trial. *See, e.g.*, *Samsung Electronics Co., Ltd. et al. v. Mobile Data Techs., LLC,* IPR2025-00535, -00536, Paper 16 at 2 (Director July 10, 2025) (finding this factor weighed in favor of discretionary denial and denying institution where the final written decision date (September 2026) was 4.2 months after trial date (April 20, 2026)); *Samsung Electronics Co. Ltd et al. v. SinoTechnix LLC*, IPR2025-00331, -00333, -00335, -00336, Paper 13 at 2 (Director July 2, 2025) (finding this factor weighed in favor of discretionary denial and denying institution where the final written decision date (September 6, 2026) was roughly 4 months after trial date (May 4, 2026)); *Cisco Systems, Inc. v. WSOU Investments LLC d/b/a Brazos Licensing and Development*, IPR2025-00429, Paper 15 at 2 (Director June 25, 2025) (finding this factor weighed in favor of discretionary denial and denying institution where the final written decision date (July 30, 2026) was roughly 3-5 months after trial date (March 2026 or April 20, 2026)); *Advanced Micro Devices, Inc. et al. v. Concurrent Ventures, LLC et al.*, IPR2025-00223, Paper 9 at 2 (Director June 12, 2025) (finding this factor weighed in favor of discretionary denial and denying institution where the final written decision date was only 16 days after trial); *see also EClinicalWorks, LLC v. Decapolis LLC*, IPR2022-00229, Paper 10 at 9 (PTAB Apr. 13, 2022) (finding this factor weighed in favor of discretionary denial and denying institution where "the beginning of the jury trial in the WDTX Cases is

roughly one or two months before any final decision would have been due had *inter partes* review been instituted"); *Resmed Corp. v. Cleveland Med. Devices Inc.*, IPR2023-00565, Paper 13 at 11 (PTAB September 25, 2023) (denying institution where trial was scheduled to occur "approximately one month" before the deadline to issue a final written decision).

Thus, *Fintiv* Factor 2 weighs heavily against institution because of the EDTX Litigation.

3. *Fintiv* Factor 3: The Parties Have Already Invested Significant Effort and Resources in Parallel District Court Proceedings

***Fintiv* Factor 3** weighs heavily against institution.

In the EDTX Litigation, by this IPR's institution deadline (December 10, 2025), the parties will already have exchanged initial infringement and invalidity contentions and conducted extensive discovery and will have substantially completed document production. Ex. 2009 (Amended Docket Control Order). VB Assets has already produced a substantial amount of documents—over sixty thousand—and will continue to make ongoing supplemental productions. Samsung, for its part, has made gigabytes of highly confidential source code available for inspection by VB Asset's experts, who have spent approximately 250 hours reviewing 10 GB of source code. Samsung has likewise committed to producing technical documents for the accused products implicated by VB Asset's

infringement contentions. Likewise, VB Assets has submitted revised infringement contentions based on its review of Samsung's source code.

Further, as of this paper's filing Samsung has already served seven third-party subpoenas seeking documents and deposition testimony pertaining to alleged prior art in an attempt to bolster its validity challenges before the district court. Exs. 2014–2020. Although the subpoenas ostensibly seek information about prior art systems, Samsung did not limit the scope of its subpoenas to exclude prior art printed publications about such systems, demonstrating its intent to maintain parallel and duplicative validity challenges between this tribunal and the district court. Indeed, several of these third parties have already begun producing responsive documents, and the return dates on all third-party subpoenas served to-date are before the institution deadline in this IPR. In addition, Samsung's counsel confirmed the deposition of a Samsung employee will take place on September 4, 2025, and VB Assets has already noticed an additional deposition. Exs. 2021–2022. On top of this, Samsung recently produced thousands of documents from one or more additional third parties outside of the above-mentioned subpoenas. These documents include marketing materials, technical diagrams, and various user and implementation guides for asserted prior art. All told, third parties in the district court action have already made more than eight thousand documents available in the litigation.

In addition, the *Markman* process will commence months before the institution deadline in this IPR, as the parties must exchange claim terms for construction by September 9, 2025. Ex. 2009 (Amended Docket Control Order). Soon after, on September 30, 2025, the parties will exchange preliminary constructions followed by a joint claim construction submitted to the court on October 21, 2025. *Id.* Indeed, the parties are to complete claim construction discovery by November 18, 2025, and opening claim construction briefs will be exchanged before the institution deadline of this IPR on December 10, 2025. *Id.*

Given the significant resources already invested by both VB Assets and Petitioners in the EDTX Litigation, *Fintiv* factor 3 weighs heavily against institution.

4. *Fintiv* Factor 4: The Overlap Between the Asserted Art and Petitioners' Invalidity Arguments in the District Court is Significant, and Petitioners' Stipulation Is Ineffective

***Fintiv* Factor 4** also weighs against institution.

In its discretionary denial briefs filed on July 21, 2025, for four of Samsung's six IPRs, VB Assets explained how Samsung's so-called *Sotera* stipulation failed to meaningfully reduce overlap between the invalidity proceedings in the IPRs and the EDTX Litigation. *See, e.g.*, IPR2025-00866, Paper 8. Recognizing the strength of VB Assets' argument that the overlap weighed strongly in favor of discretionary denial, Samsung recently attempted to course correct by sending VB Assets a letter

updating its stipulations.[6] Ex. 2023 (August 5, 2025 Letter from D. Kline to E. Carlson. Petitioners' late-breaking letter does not make Petitioners' stipulation any more meaningful for several reasons.

First, Samsung only sent the letter after VB Assets pointed out to the Acting Director that the IPRs failed to streamline Samsung's invalidity case. Samsung had every opportunity to either tailor its stipulation or its district court invalidity case in a manner that meaningfully diminished the risk of overlapping invalidity proceedings at any time from filing the IPRs in April 2025 until July 21. Samsung did neither. Samsung knew which of its many validity challenges create duplicative efforts, yet Samsung decided to wait and see what VB Assets argued before adjusting the scope of its stipulation (and, as discussed below, still did not broaden its stipulation enough to warrant institution). This gamesmanship does not demonstrate true intent to avoid overlap. Samsung's newly updated stipulation does not weigh in favor of institution.

Second, Samsung's newly updated stipulation still lacks meaning because it fails to identify with specificity which of the vast possible invalidity theories Samsung is foregoing in the EDTX Litigation if IPR is instituted. At the end of the

[6] As of the filing date of this paper, Petitioners have not yet requested to file an updated stipulation in this proceeding.

day, it still does nothing to change the fact that the district court will still have to conduct a simultaneous and robust validity analysis regardless of the outcome of these IPRs. For example, Samsung's stipulation not to pursue "combinations of the prior art asserted in the corresponding IPR proceeding(s) with unpublished system prior art" lacks specificity and does not foreclose Samsung from pursuing a combination of prior art that Samsung reasonably could have raised in the IPR proceedings with unpublished system art. Samsung's newly updated stipulation is not enough to demonstrate any meaningful efficiency gained by the IPR proceeding. In fact, Samsung has tried to secure institution using essentially identical stipulations in other proceedings, but to no avail. *See Samsung Electronics Co., Ltd. et al. v. Headwater Research LLC*, IPR2025-00481, -00483, -00484, Paper 9 at 2 (Acting Director August 4, 2025) (discretionarily denying institution where the "totality of the evidence and arguments the parties have presented" included a stipulation that, if instituted, "Samsung will not pursue in the District Court litigation combinations of the prior art asserted in whichever proceeding(s) are instituted with unpublished system prior art (or any other type of prior art)."); Ex. 2024 (*Samsung Electronics Co., Ltd. et al. v. Headwater Research LLC*, IPR2025-00481, -00483, -00484, Ex. 1031 (Stipulation)). Further, for the reasons previously identified in VB Assets' discretionary denial briefs in IPR2025-00867, -00868, -00869, -00866 set forth

below, Samsung's letter does nothing to ensure that these IPR proceedings would be a true alternative to the district court proceedings.

Samsung's massive EDTX Litigation contentions assert all the same prior art in this IPR and the same grounds. To be sure, Samsung's validity challenges before the district court are expansive to say the least. For just six patents, Samsung asserts a staggering ***200 individual claim charts*** that add up to ***over 25,000 pages***. As to the '341 Patent, there is complete overlap between this IPR and Samsung's validity challenges in the district court Invalidity Contentions because Samsung "identifies the prior art reference that anticipate or render obvious the Asserted Claims in the claim charts Appendices B-1 – B-37," which include SmartKom (Appendix B-5), Kobsa (Appendix B-6), Barbara (Appendix B-7), and Ross (Appendix B-8). Ex. 2012 (Amazon EDTX Litigation Invalidity Contentions), at 48-49. Samsung's Invalidity Contentions make clear that this IPR is incorporated by reference therein. *Id.* at 5 ("In addition to the positions and prior art identified in these Invalidity Contentions, . . . Samsung also incorporates by reference all Invalidity contentions, prior art, and invalidity claim charts . . . concerning the Asserted Patents, disclosed at any time. This includes, without limitation, disclosures . . . in the United States Patent & Trademark Office ("USPTO") proceedings, by Plaintiff[.]"). In fact, the *only* obviousness combinations to challenge the '341 Patent that Samsung

specifically articulates across its 372-page cover document are the grounds from this IPR:

Table 4B: Exemplary Obviousness Combinations for the Asserted Claims of the '341 Patent

Claims	Combinations
1-18	SmartKom+Kobsa
1-18	Barbara+Ross

Id., at 141.

Beyond this, Samsung asserts at least 13 system art references in its EDTX Litigation invalidity contentions, as shown in the excerpted chart below:

Appendix	Prior Art Reference
B-19	*Recognition Confidence Scoring and Its Use in Speech Understanding Systems*, Timothy J. Hazen (Academic Press, 2002) ("Hazen")
B-20	International Publication No. WO 2006/016307 ("Portele")
B-21	*A Personalized System for Conversational Recommendation*, Cynthia Thompson et al. ("Thompson")
B-22	U.S. Patent No. 6,430,531 ("Polish")
B-23	U.S. Patent No. 6,144,989 ("Hodjat I")
B-24	U.S. Patent No. 7,231,343 ("Treadgold")
B-25	U.S. Patent No. 7,558,731 ("Hodjat II")
B-26	"MIT Galaxy" system
B-26A	MIT Galaxy source code
B-27	Systems subject to further discovery
B-28	Nuance Voice Platform System
B-29	ScanSoft United System
B-30	SpeechWorks MINT System
B-31	HeyAnita
B-32	Cybermind System
B-33	TellMe System
B-34	Microsoft MiPad System
B-35	Tel@go
B-36	Verbomil
B-37	GyrusLogic

Id., at 50 (alleging the above chart shows "the prior art references that anticipate or render obvious the Asserted Claims in the claim charts [at] Appendices B-1–B-37"). Samsung's invalidity contentions ensure that each system art reference asserted above can be combined with any other reference, including the references asserted in the Petition and any reference that could have reasonably been raised in the Petition, which are also identified in the same chart. Ex. 2012, 49-51 ("The prior art identified above, and in Appendices B-1–B-37 individually anticipate and/or can be properly combined in multiple ways to demonstrate the obviousness of the Asserted Claims of the '341 patent.").

Accordingly, even with the updated stipulation proffered by Petitioners, Samsung would still claim to retain the ability to discuss at the jury trial the majority of the prior art references discussed in this Petition prior art references that it reasonably could have raised in the Petition in combination with system prior art that they have identified. Ex. 2012, 52 ("In addition to contending that the '341 patent Asserted Claims are invalid in view of the prior art references cited in the claim charts of Appendices B-1–B-37, Samsung further contends that the '341 patent Asserted Claims are invalid as anticipated and/or obvious under U.S.C. §§ 102 and/or 103 ***in view of public knowledge and uses and/or offers for sale of products and services related to the subject matter of the cited references***."), at 53 ("Samsung's reference to a particular device or product in the claim charts of

Appendices B-1–B-37 ***should be interpreted alternatively as both a reference to the product itself and to any corresponding patents, publications, or product literature cited in the claim charts that relate to the cited device or product***. In addition, Samsung may rely on other documents or things that have not yet been located to support its contentions regarding such prior art device(s) or product(s) that are referenced in the charts.") (emphasis added). Prior to proffering its late-breaking updated stipulation, Samsung's Invalidity Contentions ensured possible combinations of the grounds asserted in this IPR with any of the identified systems. *Id*. at 49-51 (identifying SmartKom, Kobsa, Barbara, Ross along with at least 13 system art references in the same table). Even with the updated stipulation in place, Samsung fails to identify with particularity the theories it would forego if IPR was instituted.

As the Acting Director recognized in a recent Order Granting Director Review, such stipulations do not ensure that these IPR proceedings 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's grounds. *Motorola Sol'ns, Inc. v Stellar LLC*, IPR2024-01205, Paper 19, 3-4 (Order Granting Director Review, Vacating the Decision Granting Institution, and Denying Institution of Inter Partes Review) (P.T.A.B. March 28, 2025) (Stewart, A.D.) (finding that a *Sotera* stipulation was unlikely to moot petitioner's combination of IPR art with

unpublished system prior art in district court proceedings, and therefore could not outweigh other factors favoring denial); *see also* Ex. 2003 at Q.14 (". . . The Director will take into account whether the stipulation materially reduces overlap between the proceedings. Where 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.").

Aside from system art, Samsung also challenges the '341 Patent as claiming ineligible subject matter under Section 101, not compliant with the written description and/or enablement requirements of Section 112, and indefinite under Section 112. Ex. 2012 at 366 (citing Ex. 2013 (Exhibit G-2, Subject Matter Eligibility Contentions for '341 Patent)); *see also id*., at 360-362 (challenging claims under Section 112); at 363-365 (challenging claims as indefinite).

It is clear that this IPR, or even all of Samsung's IPRs challenging the VB Assets Patents, will not streamline Samsung's validity case. *See Shenzen Tuozhu Tech. Co., LTD v. Stratasys, Inc.*, IPR2025-00354, Paper 11 at 2–3 (Director June 12, 2025) ("Petitioner's invalidity arguments in the district court, however, are more expansive and include combinations of the prior art asserted in these proceedings with unpublished system prior art, which Petitioner's stipulation is not likely to moot."). Accordingly, Samsung's stipulation should be afforded little, if any, weight

when evaluating this *Fintiv* factor. Even if this IPR is instituted, and Samsung were to refrain from advancing any prior art or ground that was raised or reasonably could have been raised in this IPR, the district court will still have to try Samsung's voluminous validity challenges alleging system prior art, patent ineligible subject matter, claims lacking written description, claims that are not enabled, and claims that are indefinite.

Samsung's reliance on corresponding system art and several other invalidity theories in the EDTX Litigation at the same time as these IPRs defeats the AIA's stated purpose of increased efficiency. The updated stipulation is simply not meaningful because the district court will still have to conduct a simultaneous, and robust, validity analysis regardless of the outcome of these IPRs. *See* Ex. 2003 (FAQs), at Q.14 (". . . The Director will take into account whether the stipulation materially reduces overlap between the proceedings. Where 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.").

Because there is complete overlap between the art raised in these proceedings and asserted in the underlying district court proceedings, and because inefficiencies created by multiple validity proceedings are not materially diminished by

Petitioners' stipulation in view of Petitioners' use of unpublished system art in the district court proceeding, this factor favors denial.

5. *Fintiv* Factor 5: The Identity of the Parties Weighs Against Institution

Fintiv Factor 5 also weighs against institution because Samsung is the accused infringer and defendant in the EDTX Litigation and Patent Owner is the plaintiff. Ex. 2004 (Complaint). Therefore, there is complete identity of the parties.

6. *Fintiv* Factor 6: The Merits of the Petition Are Weak

***Fintiv* Factor 6** relates to the weakness of the Petition on the merits, which weighs against institution. While the merits will be more fully addressed in Patent Owner's Preliminary Response (which is incorporated herein by reference pursuant to FAQ Q.25), a few examples are provided below to illustrate the weakness of Petitioners' arguments.

a. The SmartKom + Kobsa Combination Fails to Describe a Coherent System that Includes all the Elements of the '341 Patent

The first ground of the Petition asserts that the Challenged Claims are obvious over SmartKom (Ex. 1005) and Kobsa (Ex. 1006). In this ground, Petitioners fail to meet their burden to identify a coherent system or method that comprises the combination of elements recited in the Challenged Claims. Instead, Petitioners identify disparate disclosure within loosely organized papers that have been gathered in two collections, SmartKom and Kobsa, without sufficient explanation as to how

the identified disclosure of the references would work together to reach the claimed invention of the '341 Patent or why a POSITA would have been motivated to combine these disparate disclosures.

Petitioners' failure is due, in part, to the nature of SmartKom and Kobsa, which are both explicitly described as broad-based collections of the results of research by many different people, at different times, directed to different problems. For example, SmartKom is a book that provides a "comprehensive overview of the broad spectrum of results" of the SmartKom project obtained by the research of a consortium of eight companies, one research institute, and three universities over a period of four years, which resulted in 52 different patent applications, 29 spin-off products, six spin-off companies, 255 publication, 66 theses, and six appointments to professorships. Ex. 1005, VI. The broad spectrum of results from the SmartKom project are reflected in the 38 independent chapters authored by different contributors directed to different aspects and, in some cases different implementations, of the SmartKom project.

Similarly, Kobsa is a "collection of unintegrated conference papers" from a conference of 25 researchers intended to provide a survey of the field of user modeling. Ex. 1006, V-VI. Petitioners selected disparate, inconsistent pieces of SmartKom and Kobsa, mirroring the broad-ranging nature of these references,

without sufficiently explaining how those pieces would work together or why a POSITA would have combined them in the way proposed.

For example, the claims require accumulating "long-term knowledge" "based on one or more natural language utterances received prior to the predetermined time period, wherein the long-term knowledge includes at least one or more expired items of short-term knowledge." Ex. 1001, cl. 1, 10. Petitioners allege that both SmartKom and Kobsa describe techniques for accumulating long term knowledge based on SmartKom's user model and Kobsa's General User Modeling System, the latter of which is "persistent." Petition, 20-22. However, these disclosures identified by Petitioners are inconsistent. SmartKom explicitly discloses that, in the SmartKom system, "general user model information is supplied via external sources, e.g., via a user's *SmartCard*," while the SmartKom system *only* "actively monitors" "interaction preferences of the users." Ex. 1005, 276 (emphasis in original). SmartKom's disclosure of an external plug-in user model in its system with ***no active monitoring of user information*** other than interaction preferences is entirely inconsistent with the "persistent" user model in Kobsa, which "records ***all information*** about the user inferred from his/her dialog behavior" "at the end of a dialog session." Petition, 22; Ex. 1006, 10-11.

Petitioners have not pointed to any disclosure in SmartKom to explain that an external plug-in user model would be "persistent" and SmartKom is accordingly

fundamentally inconsistent with the persistent user model of Kobsa. Even if it was not, Petitioners have not explained how the persistent user model of Kobsa could be incorporated into a SmartCard, for example, to be used in SmartKom's system

As another example, the claims require "accumulat[ing . . .] short-term knowledge" "during a predetermined time period," and further require "expir[ing]" one or more items of short-term knowledge that are based on one or more natural language utterances received prior to the predetermined time period. Ex. 1001, cl. 1, 10.

Petitioners argue that SmartKom's discourse state stored in discourse memory satisfies "accumulating short-term knowledge" "during a predetermined time period." Petition, 17-18. But SmartKom's discourse state is based, in part, on the three-tiered context representation presented in another paper, Luperfoy, which is not part of the asserted ground (Ex. 1012). Petition, 17-18. Thus, Petitioners rely on disclosure not from SmartKom but from the unasserted Luperfoy paper (Ex. 1012) describing the decay of discourse objects overtime to satisfy these claim limitations. Petition, 17-18.

Worse, Petitioners are wrong to rely on the separate Luperfoy reference to describe SmartKom's discourse state because SmartKom's approach to discourse state representation is a "***compilation*** of three [different] items," only one of which relates to Luperfoy. Ex. 1005, 239-240 (emphasis added). Petitioners never explain

the complexity of the "***compilation*** of three [different] items," or even how Luperfoy's solution may factor into the compilation, and thus fails to meet their burden.

Petitioners' Ground 1 is based on SmartKom, not Luperfoy, yet Petitioners fail to identify where SmartKom carries out any of Luperfoy's teachings. Specifically, Petitioners do not identify any disclosure in SmartKom directed to decaying discourse objects as a function of attentional focus as described in Luperfoy. This is not surprising, because SmartKom employs an entirely different mechanism using a single operation called overlay wherein discourse objects are accumulated but never expired or forgotten. Ex. 1005, 250-251. SmartKom's approach describes overwriting parts of the old information with new information while keeping the old information still consistent with the new information. Ex. 1005, 246, 250-251.

This matters because Petitioners misrepresent SmartKom. Petitioners allege that SmartKom satisfies claim limitations requiring a "predetermined time" because, in Petitioners' view, SmartKom "acknowledges [Luperfoy's] decay of information" when it discloses that the discourse memory runs out of memory for longer dialogues. Petition, 18; Ex. 1005, 242. Not so. SmartKom's system explicitly ***does not*** "forget" or "discard" contextual information, but actually *overaccumulates* contextual information with "*no control mechanism*." Ex. 1005, 250-251 (emphasis

added). Thus, the SmartKom system explicitly teaches that it is not capable of limiting its accumulation of knowledge to a predetermined period of time. Neither Petitioners nor their expert address this shortcoming in the SmartKom system—which is directly at odds with Luperfoy's teachings that Petitioners mistakenly assume applies to SmartKom.

Further, Petitioners' reliance on SmartKom's disclosures ***only*** forecloses the possibility for Petitioners to pivot and argue that a POSITA would be motivated to modify the teaching of SmartKom to implement Luperfoy's decaying discourse objects solution. For instance, Petitioners cannot newly argue that SmartKom would employ just the Luperfoy solution for discourse representation in a straightforward manner, without the extended or compiled ideas SmartKom also incorporates from Salmon-Alt (2000), Alexandersson (2003), or Wahlster (2000). Ex. 1005, 242. Petitioners never made such an argument in the Petition and cannot do so now. *Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1369 (Fed. Cir. 2016); 35 U.S.C. §312(a)(3) (requiring that IPR petitions identify "with particularity, each claim challenged, the grounds on which the challenges to each claim are based, and the evidence that supports the grounds for challenge to each claim.").

Kobsa cannot resolve these fatal issues with Ground 1. For example, Petitioners rely on Kobsa's disclosure of the so-called GRUNDY system, where "at the end of a dialog session," the system "records ***all information*** about the user

inferred from his/her dialog in a corresponding file." Petition, 18 (citing Ex. 1006, 10-11) (emphasis added). Petitioners cite GRUNDY to allegedly satisfy the same "accumulating short-term knowledge" "during a predetermined time period" limitations that had been mapped to SmartKom. *Id*. Thus, even if SmartKom's system did "acknowledge[] decay of information" by forgetting information after half an hour of discourse, as Petitioners wrongly suggest, Petitioners do not make any attempt to explain how or why a POSITA would reconcile this with Kobsa's recording of "***all information*** about the user inferred from his/her dialog behavior." Ex. 1006, 10-11 (emphasis added). As set forth below, a POSITA would not be motivated to combine these two concepts. As such, the Petition should be denied on the merits.

b. A POSITA Would Not be Motivated to Combine SmartKom and Kobsa to Reach the Claimed Invention

Petitioners also failed to explain how a POSITA would integrate Kobsa's survey of the theoretical field of user modeling with the SmartKom system to reach the claimed invention. For example, as discussed above, Petitioners identified Kobsa's disclosure that "at the end of a dialog session," the GRUNDY system "records ***all information*** about the user inferred from his/her dialog behavior in a corresponding file," ***and*** SmartKom's disclosure of a discourse memory running out of memory for longer dialogues (more than half an hour of discourse) such that it is

"***necessary to forget*** information." Petition, 17-18 (emphases added). Altogether, Petitioners conclude that the SmartKom-Kobsa combination allegedly discloses the claim limitations requiring "short-term knowledge" accumulated during "a predetermined time period." Petition, 17-18. To make this argument, Petitioners vaguely assert the "predetermined time period" is ***either*** "the shorter of (1) the duration of the conversation/dialog [as disclosed by Kobsa] or (2) the size of short term storage (e.g., 30 minutes)" as disclosed by SmartKom. *Id*.

Petitioners' either/or assertion fails. Indeed, Petitioners fail to explain how and why a POSITA would have combined Kobsa's disclosure of GRUNDY (Ex. 1006, 10-11), and SmartKom's disclosure of the discourse memory. Petitioners' failure to do so is not surprising given Kobsa's ***explicit disclosure*** that the GRUNDY system suffers from "legal, social and ethical problems of security and privacy." Ex. 1006, 10-11. Kobsa further explains that systems like GRUNDY with an initial user model are rarely "developed and implemented." Ex. 1006, 11. Thus, a POSITA reviewing Kobsa "would be discouraged from following the path set out in the reference [recording information inferred about the user at the end of a dialog session], or would be led in a direction divergent from the path that was taken in the claim." *Meiresonne v. Google*, 849 F.3d 1379, 1382 (Fed. Cir. 2017) (quoting *Galderma Labs., L.P. v. Tolmar, Inc.*, 737 F.3d 731, 738 (Fed. Cir. 2013)) (internal quotations omitted).

Furthermore, SmartKom's disclosure of the need to implement ***forgetting*** information for long dialogs after 30 minutes in future designs clashes with Kobsa's disclosure of ***recording all information*** at the conclusion of a dialog session. Ex. 1006, 10-11. Petitioners do not attempt to reconcile this difference, nor explain how a POSITA would have implemented a coherent system using these disclosures to reach the claimed invention.

c. A POSITA Would Not Be Motivated to Combine Barbara and Ross

Ground 2 of the Petition relies on a combination of Barbara (Ex. 1007) and Ross (Ex. 1008). Like the SmartKom and Kobsa ground, Ground 2 of the Petition based on Barbara and Ross is fundamentally flawed.

First, a POSITA would not have been motivated to combine Barbara and Ross to reach the claimed invention. Petitioners incorrectly assert that a POSITA would modify Barbara's information database that stores "personal details or preference from what the user has said" (Ex. 1007, ¶ [0089]) and knowledge database that stores "the correct utterance text and the correct intention" (Ex. 1007, ¶ [0106]) with Ross's conversational record which indexes each utterance with the results of its semantic analysis and eventually purges it when it is no longer relevant. Ex. 1008, ¶ [0057]; Petition, 60-61.

However, purging the conversational record in Ross is inconsistent with Barabara's stated function for its knowledge base. Barbara's recognition process maps the intentions of each individual word and confidences of accurate recognition are calculated based on the analysis of the knowledge base. Ex. 1007, ¶¶[0106], [0118]. Thus, Barbara's knowledge base has to continually maintain all correct interpretations in order to continually be used to calculate the confidence scores for each word. Ex. 1007, ¶ [0118]. Thus, periodically purging the knowledge base to only include the correct interpretations of the current conversation as disclosed in Ross is inconsistent with the purpose and function of Barbara's knowledge base. Put simply, Barbara's system would not work if modified in the way that Petitioners suggest. Petitioners did not address this roadblock in the Petition. Thus, a POSITA would not be motivated to combine these references. Thus, a POSITA would not be motivated to combine Barbara and Ross.

These failures of the Petition are fatal and warrant denial on their own. Compounded with the additional discretionary denial factors, these failures strongly favor denial. Additional details as to the merits will be presented in Patent Owner's Preliminary Response.

IV. CONCLUSION

Taken together, the Director Memo factors and the *Fintiv* factors weigh strongly in favor of discretionary denial—all factors either favor denial or are neutral.

For the reasons noted above, Patent Owner respectfully submits that the Board should deny institution of all Grounds of the Petition.

Dated: August 11, 2025

Respectfully submitted,

By: / Christopher TL Douglas /
Christopher TL Douglas, Reg. No. 56,950

CERTIFICATION UNDER 37 C.F.R. §42.24

Pursuant to 37 C.F.R. §42.24(d), I certify that this brief complies with the type-volume limits of 37 C.F.R. §42.24 and the Director Memo because it contains 9,400 words, according to the word-processing system used to prepare this brief, excluding the parts that are exempted by 37 C.F.R. §42.24 (including the table of contents, a table of authorities, a listing of facts which are admitted, a certificate of service or this certificate word count, and appendix of exhibits).

Dated: August 11, 2025

By: / Christopher TL Douglas /
Christopher TL Douglas

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §42.6(e), the undersigned hereby certifies that true and correct copies of the foregoing **PATENT OWNER'S DISCRETIONARY DENIAL BRIEF and VB ASSETS EXHIBITS 2002-2024** were served in their entirety on August 11, 2025 by filing this document through Patent Trial and Appeal Case Tracking System (P-TACTS) as well as delivering true and correct copies by electronic mail on Petitioners' lead and backup counsel at the following email addresses (as agreed by counsel for Petitioners):

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