Filed on behalf of: Google LLC

Entered on: September 12, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE LLC,
Petitioner,

v.

ADVANCED CODING TECHNOLOGIES LLC,
Patent Owner.

IPR2025-00999
Patent 9,986,303

PETITIONER'S OPPOSITION TO PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL OF INSTITUTION

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1001	U.S. Patent No. 9,986,303 to Takehara, et al. ("the '303 Patent")
1002	Excerpts from the Prosecution History of the '303 Patent ("the '303 Patent File History")
1003	Declaration and Curriculum Vitae of Dr. Clifford Reader
1004	[reserved]
1005	U.S. Patent Publication No. 2008/0181302 ("Demircin")
1006	U.S. Patent Publication No. 2007/0153916 ("Demircin916")
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1009	ITU-T Recommendation H.264 (11/07)
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1012	U.S. Patent No. 8,175,154 ("Luthra")
1013	U.S. Patent No. 9,094,641 ("Ansley")
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1034	Apostolopoulos et al., Video Streaming: Concepts, Algorithms, and Systems, HP Laboratories (Sept. 18, 2002)
1035	U.S. Serial No. 11/479,077 to Demircin, Application As Filed for Demircin916 ("Demircin077")
1036	U.S. Patent No. 6,765,963 to Karczewicz et al. ("Karczewicz")
1037	IPR2024-00327, Paper 6
1038	IPR2024-00327, Paper 11
1039-1045	[reserved]
1046	Letter from P. Young to P. Lambrianakos re: Google's Sotera Stipulation
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1051	Complaint for Patent Infringement, *Advanced Coding Technologies LLC v. Google LLC*, No. 2:24-cv-00353 (E.D. Tex. May 10, 2024), ECF 1 ("ACT-Google Complaint")
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1053	U.S. Patent No. 9,986,303 Patent Assignment, Reel: 059497 Frame: 0108 ("ACT Assignment")
1054	About Advanced Coding Technologies LLC, https://advancedcodingtechnologies.com/about (last visited Aug. 28, 2025) ("About ACT")
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1058	Plaintiff Advanced Coding Technologies LLC's Objections and Responses to Google's First Set of Interrogatories, *Advanced Coding Technologies LLC v. Google LLC*, No. 2:24-cv-00353 (E.D. Tex. Nov. 20, 2024) ("ACT Rog Response")

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1068	Docket, *Advanced Coding Technologies LLC v. LG Electronics Inc.*, No. 2:22-cv-00501 (E.D. Tex.) ("ACT-LG Docket")
1069	Samsung Claim Construction Order, *Advanced Coding Technologies LLC v. LG Electronics Inc.*, No. 2:22-cv-00501 (E.D. Tex. July 21, 2024), ECF 155 ("ACT-Samsung CC Order")
1070	Order of Dismissal, *Advanced Coding Technologies LLC v. Samsung Electronics Co.*, No. 2:22-cv-00499 (E.D. Tex. Sept. 13, 2024), ECF 222 ("ACT-Samsung Dismissal")
1071	Complaint for Patent Infringement, *Advanced Coding Technologies LLC v. Apple Inc.*, No. 2:24-cv-00687 (E.D. Tex. Aug. 20, 2024), ECF 1 ("ACT-Apple Complaint II")
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1079	Letter from IP Subcommittee Ranking Member Schiff to U.S. Dept. of Commerce, dated Apr. 18, 2025 ("Schiff letter to DOC")
1080	The Patent Trial and Appeal Board and Inter Partes Review, https://crsreports.congress.gov (updated May 28, 2024) ("CRS Report")
1081	Patent Owner's Request for Discretionary Denial of Institution, *Google LLC v. Advanced Coding Technologies LLC*, IPR 2025-01277 (July 17, 2025) ("'101 PO Brief")
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1093	U.S. District Court, Eastern District of Texas Calendar of Events Set for 3/2/2026-3/2/2026, Judge Rodney Gilstrap, Presiding ("Gilstrap March 2, 2026 Schedule")
1094	Dufresne et al., "How Reliable Are Trial Dates Relied on by the PTAB in the Fintiv Analysis?" Perkins Coie (Oct. 29, 2021) ("Fintiv Study")
1095	Petition for *Inter Partes* Review of United States Patent No. 9,986,303 Pursuant to 35 U.S.C. §§ 311-319, 37 C.F.R. § 42 (Jan. 5, 2024) ("327 IPR Petition")
1096	Institution Decision, *Samsung Elecs. Co. v. Advanced Coding Techs. LLC*, IPR2024-00327, Paper 11 (July 18, 2024) ("327 IPR ID")
1097	Termination, *Samsung Elecs. Co. v. Advanced Coding Techs. LLC*, IPR2024-00327, Paper 18 (Sept. 20, 2024) ("327 IPR Termination Decision")
1098	Patent Owner's Preliminary Response, *Samsung Elecs. Co. v. Advanced Coding Techs. LLC*, IPR2024-00327 (Apr. 22, 2024) ("327 IPR POPR")

I. Introduction

Petitioner Google LLC ("Google") submits this opposition to Patent Owner's Request for Discretionary Denial of Institution ("PO Brief," Paper 7). There are multiple reasons why *inter partes* review of the '303 patent is an appropriate use of Office resources, and the Petition should not be denied discretionarily. A holistic assessment of the arguments and evidence presented in this opposition against the limited arguments and evidence presented by Patent Owner Advanced Coding Technologies, LLC ("Patent Owner" or "ACT") leads to the conclusion that Patent Owner's request for discretionary denial should be denied, and the Petition should be referred to the Board for an institution decision on the merits.

First, the considerations outlined in the Director's Process Memorandum support referral and institution. Relevant to multiple considerations, the Board has already preliminarily evaluated the claims of the '303 patent, and found them to be likely unpatentable in view of identical prior art, and similar evidence and arguments as submitted here. Specifically, in a previous IPR, the Board determined that claim 1 of the '303 patent was likely unpatentable over the teachings of Demircin, as well as the testimony of Dr. Cliff Reader. The same claim is challenged in this proceeding, using the same reference, and using testimony from the same expert witness. This fact is relevant to multiple considerations in the Process Memorandum that consequently weigh in favor of referral and against discretionary denial.

Second, the Examiner erred in issuing the '303 patent. As explained in the petition, and as explained further herein, the § 325(d)/*Advanced Bionics* analysis confirms the Office erred in multiple ways during examination, and that the Board's resources are effectively utilized in evaluating and correcting those errors.

Third, the PO Brief only addresses two discretionary factors: the status of the parallel litigation, and "settled expectations." But the Director's decisions clarifying the "settled expectations" factor confirm that ACT does not have the "settled expectations" it claims to have, and the status of the parallel litigation, taken in combination with the above factors, does not suggest discretionary denial is appropriate.

When "all relevant considerations" are contemplated as required, and under a holistic assessment of those relevant considerations, the only reasonable conclusion is that the Director should refer the Petition to the Board for a substantive evaluation on the merits and institution of trial.

II. The Process Memorandum's Relevant Considerations Favor Institution

The Process Memorandum states that "the parties are permitted to address all relevant considerations" in their discretionary briefing, including those enumerated in existing Board precedent and others enumerated in the Process Memorandum. Those considerations include:

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;
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.

See also Interim Director Discretionary Process, § I.B. Factors 1 and 3-7 are relevant here, and support referral to the Board for a substantive determination on institution.

A. Process Memorandum Factor 1 Supports Referral: The PTAB Already Preliminarily Found Unpatentability of the Challenged Claims

The Petition challenges all claims (claims 1-2) of the '303 patent as obvious over three obviousness grounds. The Petition's first ground challenges claims 1-2 as obvious over the teachings of Demircin (Ex.1005), and the second and third grounds challenge claims 1-2 as obvious over the teachings of Chen (Ex.1029) and Karczewicz (Ex.1036).

Before the '303 patent was asserted against Google, ACT asserted the '303 patent against Samsung Electronics Co., Ltd. ("Samsung"). In response to ACT's assertion, Samsung filed a petition (IPR2024-00327, the "'327 IPR") challenging claims 1-2 of the '303 patent. Samsung's Petition included a ground challenging claims 1-2 as obvious over the teachings of Demircin. Ex.1095, p. 1.[1] Samsung's petition was accompanied by the declaration of technical expert Dr. Cliff Reader. After the '327 IPR Petition was filed, ACT filed a preliminary response (*see* Ex.1098), and the parties filed additional authorized pre-institution briefing.

After pre-institution briefing was complete, the Board issued a decision instituting trial. *See* Ex.1096. In the '327 IPR institution decision, the Board evaluated the discretionary analysis under § 314(a) and found it to not support denial, and thus evaluated the merits of Samsung's petition. Ex.1096, 7-10.

The Board summarized the prior art references and the parties' arguments in analyzing the '303 patent's claim 1, and after doing so, was "persuaded by Petitioner's contentions that the teachings of Demircin satisfy each limitation of claim 1. Ex.1096, 10-16. In its review of Samsung's claim 1 contentions, the Board disagreed with each of ACT's patentability arguments. *See id*. Because the Board

[1] The PO Brief does not address IPR2024-00327, and thus, any arguments by ACT with respect to that proceeding are waived.

found a reasonable likelihood of prevailing as to the unpatentability of claim 1, the Board instituted *inter partes* review consistent with § 314(d) on all claims and grounds in the petition. Ex.1096, 18.

Shortly thereafter, and before any further substantive briefs were filed, Samsung and ACT reached an agreement to resolve their dispute with respect to the '303 patent, and filed a Joint Motion to Terminate the '327 IPR, which the Board granted. *See* Ex.1097. Ostensibly, rather than face a full IPR trial and a likely unpatentability judgment of one or more of its claims, ACT opted to settle with Samsung to maintain its ability to monetize the '303 patent against its then-present and future targets, including Google.

The instant Petition, like the '327 IPR petition, challenges claims 1-2, and does so over prior art teachings, including those found in Demircin. *See generally* Petition (Paper 1). Google's Petition also is accompanied by a declaration from the same technical expert, Dr. Cliff Reader, as in the '327 IPR. *See* Ex.1003.

Given the '327 IPR institution decision, there is no reasonable dispute that the '303 patent's claims are vulnerable to invalidation based on prior art, and the Director recently found that such facts "tip the balance against discretionary denial" despite other facts favoring discretionary denial. *POSCO Co. v. ArcelorMittal*, IPR2025-00370, Paper 10 at 3-4 (Director June 25, 2025) ("*POSCO*"). In *POSCO*, the Director found that a final written decision on the parent of a challenged patent

weighed against discretionary denial because the Board had "previously determined related claims to be unpatentable." *Id.*; *see also Mercedes-Benz Group AG v. Phelan Group, LLC*, IPR2025-00413, Paper 13 at 2 (Director June 25, 2025) (finding that "claims of a related patent were recently found unpatentable" to weigh against discretionary denial) ("*Mercedes-Benz*"); *Padagis US LLC v. Neurelis, Inc.*, IPR2025-00464, Paper 12 at 2 (Director July 16, 2025) (proceeding that presented "similar issues to those previously adjudicated" counseled against discretionary denial) ("*Padagis*").

The Director similarly found that the Board's previous determination at the institution stage that "there was a reasonable likelihood that similar claims of an ancestor patent were unpatentable" "counsel[ed] against discretionary denial." *Tesla, Inc. v. Intell. Ventures II LLC*, IPR2025-00217, Paper 9 at 2 (Director June 13, 2025) ("*Tesla-I*"). Here, the **same claim** that the Board previously determined to be likely unpatentable is challenged, which counsels against discretionary denial.

As the Director wrote in *POSCO*, in such circumstances, it is "an appropriate use of Office resources to provide consistency and predictability to the public," and consistency is achieved by referring and instituting the instant Petition. *POSCO* at 3. Indeed, the Interim Director Discretionary Process explicitly says that the "Director will consider additional facts and circumstances where appropriate" including "[t]o maintain consistency with Discretionary Decisions that the Director

has already issued" (Interim Director Discretionary Process, § I.A); referring this Petition to the Board maintains consistency with the Director's *POSCO*, *Mercedes-Benz*, *Padagis* and *Tesla-I* decisions. The Board's resources have already been appropriately used to preliminarily evaluate the '303 patent's unpatentability over Demircin, and it is an equally appropriate use of Board resources to maintain consistency with that determination by evaluating the '303 patent's merits in a full trial against the same prior art that the Board already evaluated.

The PO Brief does not address the previous IPR at all, and importantly, ACT does not provide any rationale as to why the Director should contradict the reasoning of the *POSCO*, *Mercedes-Benz*, *Padagis*, and *Tesla-I* decisions and discretionarily deny an IPR on a patent that the Board already stated is likely to be found unpatentable over the same prior art. IPRs were created to provide a lower-cost, higher-quality resolution of patentability disputes as compared to complex district-court litigation. *See* 77 Fed. Reg. 48680 (Aug. 14, 2012) (Changes to Implement Inter Partes Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents) (identifying the goals of the AIA as "improv[ing] patent quality and limit[ing] unnecessary and counterproductive litigation costs"). Given the efforts and resources already expended by the Board in evaluating the '303 patent, doing so based on Google's Petition is an efficient use of resources and is consistent with the goals of providing a higher-quality resolution of

patentability disputes and limiting unnecessary and counterproductive litigation costs.

Accordingly, because the Board "has already adjudicated" at least preliminarily "the validity or patentability of the challenged patent claims," and has found unpatentability (at least with respect to claim 1) over the same prior art and evidence, this relevant consideration strongly weighs in favor of referral and against discretionary denial.

B. Process Memorandum Factor 2 is Neutral: No New Judicial Precedent

There is no new judicial precedent that would impact this case, making this consideration neutral.

C. Process Memorandum Factor 3 Supports Referral: The Petition's Unpatentability Challenges are Strong

Because the Board in the '327 IPR institution decision already evaluated much of the same evidence and argument regarding the '303 patent's claim 1 and its unpatentability over Demircin, the strength of the instant Petition's unpatentability challenge is self-evident and supports referral.

ACT presents no arguments against the strength of the unpatentability challenges. *See generally* PO Brief. But in a brief requesting discretionary denial, the patent owner is instructed to "argue with particularity the circumstances that warrant discretionary denial," and is instructed to do so by "refer[ring] to arguments

made in the petition" and "cit[ing] record evidence," as well as by "briefly explain[ing] why the merits are relevant." Interim Director Discretionary Process, § II.C.i. ACT has not done so; the PO Brief is silent on the strength of Google's challenge. *See also Twitch Interactive, Inc. v. Razdog Holdings LLC*, IPR2025-00307, Paper 18 at 3 (Director May 16, 2025) ("*Twitch*") (referring petition and noting patent owner's allegations in favor of discretionary denial were not sufficiently explained). In any event, its previous arguments against the Demircin-based challenge were already found unpersuasive in the '327 IPR; as detailed above, the Board considered and found unpersuasive ACT's patentability arguments relative to claim 1.

Accordingly, the strength of Google's Petition weighs strongly in favor of referral and against discretionary denial.

D. Process Memorandum Factor 4 Supports Referral: The Petition Appropriately Relies on Strong Expert Testimony

Google's Petition relies upon the testimony of its technical expert witness, Dr. Reader (Ex.1003). Consistent with precedent and guidance from the Director and Board, Dr. Reader's testimony weighs in favor of referral, because it helpfully provides an overview of the background of the technologies relevant to the '303 patent, and a detailed summary of the prior art and how it renders obvious each and every limitation of the challenged claims. Additionally, his testimony is supported by the cited prior art and additional evidence that a POSITA would have considered

in evaluating the '303 patent's unpatentability. *GD Energy Prods. LLC v. Kerr Mach. Co*., PGR2025-00031, Paper 11 at 2 (Director June 25, 2025) (persuasive argument that testimony merely complied with regulations requiring disclosure of "underlying facts or data" weighed towards referring petition); *iRhythm Techs., Inc, v. Welch Allyn, Inc.,* IPR2025-00363, Paper 10 at 2-3 (Director June 6, 2025) (proper for expert to "explain the background knowledge of a person of ordinary skill in the art" and "provide[] citations to evidence" in the required manner); *see also* 37 C.F.R. § 42.65(a) (requiring underlying facts or data for expert testimony); *Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 9 (Aug. 24, 2022) (precedential); *see also KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 417 (2007) (obviousness judged from vantage point of a person of skill in the art).

ACT has not alleged Dr. Reader's testimony inappropriately fills in gaps in the prior art[2] or that the Petition unduly relies on Dr. Reader's testimony, nor would such an allegation be true. *Cambridge Indus. USA, Inc. v. Applied Optoelectronics, Inc.*, IPR2025-00434, Paper 11 at 2 (Director June 26, 2025) (noting patent owner's failure to identify portions of expert testimony that would have suggested petitioner was using expert to fill in prior art gaps in referring petition); *see also Twitch* at 3

[2] The PO Brief does not address this factor, making any arguments waived.

(insufficient explanation as to "alleged improper or undue reliance on expert opinion" meant this consideration did not support discretionary denial).

The Petition's proper reliance on expert testimony supports referral.

E. Process Memorandum Factor 5 Supports Referral: The Settled Expectations Weighs Towards Institution

Process Memorandum Factor 5 considers the relevant expectations of "the parties." Process Memorandum, 2 ("Settled expectations of the parties"). Google's settled expectations and numerous other facts outweigh ACT's argument of settled expectations relying solely on the '303 patent's age. Accordingly, Factor 5 weighs in favor of referral.

As the Director recently explained, even considering the age of a challenged patent and potential settled expectations arising therefrom, "[t]here may be persuasive reasons why the Board should review challenged claims several years after their issuance date." *Intel Corp. v. Proxense LLC*, IPR2025-00327, Paper 12 at 2-3 (Director June 26, 2025) ("*Intel*"). For example, as the Director explained, "a patent may have been in force for years but may not have been commercialized, asserted, marked, licensed, or otherwise applied in a petitioner's particular technology space, if at all." *Id.*; *see also Shenzhen Tuozhu Tech. Co. v. Stratasys, Inc.*, IPR2025-00438, Paper 10 at 3 (Director July 17, 2025) ("*Shenzen*") (referring to Board IPRs on patents issued as early as 2015 despite district court trial date, explaining that "evidence that the challenged patents have never been

'commercialized, asserted, marked, licensed, or otherwise applied' in petitioner's 'particular technology space'" weighed against denial). Based on the evidence available to Google, the considerations outlined in *Intel* and *Shenzen* and applied by the Director are particularly pertinent here, weigh overwhelmingly against ACT's claim of settled expectations, and support the Board's review of the '303 patent.

No commercialization and marking: The '303 patent's claims 1-2 are apparatus claims; as such, any product that commercialized those claims would have been marked. *See* 35 USC § 287(a). But in the litigation, ACT has not provided any evidence of products that were marked with the '303 patent by any previous owners of the '303 patent. The complaint states "ACT has at all times complied with the marking provisions of 35 U.S.C. § 287 with respect to the Asserted Patents" (Ex.1051, 33), but there is no evidence to support this conclusory statement. And, ACT is a non-practicing entity that did not commercialize or mark the '303 patent. *See* Ex.1054. Nor has ACT provided evidence that any licensees of the '303 patent have commercialized the patent or marked products with the patent number.

Additionally, ACT's district court infringement case on the '303 patent depends on a contention that the Google accused products implement the AV1 video compression standard, meaning that ACT considers the mere use of the AV1 standard a factor in infringement of the '303 Patent. *See, e.g.*, Ex.1051, ¶ 102, PO Brief 4. But there has been no determination that the AV1 standard uses any aspect

of the '303 patent, so ACT cannot argue that AV1's development or use corresponds to commercialization of the '303 patent.

Accordingly, the lack of commercialization or marking of products embodying the '303 patent cuts against any claim of settled expectations, and supports review of the '303 patent.

No assertion until 2022: The '303 patent, though issued in 2018, was never asserted by its original owners. The '303 patent was first asserted after ACT acquired it in February 2022, in litigations filed December 2022 against LG Electronics, Inc. and Samsung Electronics Co., Ltd. Ex.1056, Ex.1057. Thus, for four years, the '303 patent sat dormant, with no evidence that it would be asserted based on the previous owner's activity. *See also Home Depot USA, Inc. v. H2 Intellect LLC*, IPR2025-00480, Paper 11 at 2-3 (Director Sept. 4, 2025) (referring petition, because petitioner's argument that it had no reason to anticipate assertion of the challenged patent weighed against patent owner's settled expectations and in favor of petitioner's expectations, and outweighed considerations favoring discretionary denial). The lack of assertion of the '303 patent likewise cuts against any claim of settled expectations and supports review.

No licensing until 2022: In the litigation between Google and ACT, Google propounded interrogatories to ACT, asking ACT to identify "in detail the **complete factual basis for any secondary considerations of nonobviousness**." Ex.1058, 16.

In response, under the heading "Licenses to the Asserted Patents," ACT wrote that "[s]everal companies have taken licenses to the Asserted Patents" and that "ACT has licensed the Asserted Patents to TikTok Inc., LG Electronics Inc., and Samsung Electronics Co., Ltd." Ex.1058, 25. But each of these licenses appears to be the product of ACT's assertion strategy (detailed below), which started only in 2022. And ACT has only owned the patent since February 2022. Ex.1053. There is no evidence of record provided by ACT in this IPR that the '303 patent's previous owner, JVC Kenwood Corporation, licensed the '303 patent. Thus, the lack of licensing of the '303 patent prior to its ownership by ACT also cuts against any claim of settled expectations and in favor of review.

No application in technology space: There is no evidence that the '303 patent has been applied in Google's particular technology space. While ACT accuses numerous Google products of allegedly infringing the '303 patent, and products that implement aspects of the AV1 standard specifically, Google does not infringe any claim of the '303 patent, and there is no evidence that the '303 patent's claims are implicated by the AV1 standard. *See also* Ex.1059, 41. The lack of application of the '303 patent in Google's technology space cuts against any claim of settled expectations and in favor of Board review.

No long-standing knowledge of patent: Various discretionary decisions have cited the petitioner's knowledge of a patent as supporting denial under the

"settled expectations" factor, based on long-standing knowledge of the patent, or a citation to the patent or published application in an IDS or by an examiner in an application assigned to the petitioner. Specifically, the Director has held that settled expectations are intimately tied to "Petitioner's awareness of Patent Owner's applications and failure to seek early review." *iRhythm*, IPR2025-00363, Paper 10 at 3. Here, ACT gave no actual or constructive notice of its patents or allegations to Google before filing suit, so *iRhythm*'s reasoning does not apply here.

Other facts contradict ACT's settled expectations argument: ACT does not establish what it has "settled expectations" of, e.g., validity, infringement, etc., it merely cites the age of the challenged patent without any explanation as to why this is allegedly relevant, which the Director has held is not sufficient.[3] *Twitch* at 3 ("alleged settled expectations" allegation not "sufficiently explained"). When ACT acquired the patent in 2022, it did so with the knowledge and expectation that its acquired patents would be subject to challenge and would have **expected** that its patents would be challenged if it asserted them. *See Celgene Corp. v. Peter*, 931

[3] ACT's settled expectations argument makes reference to the '303 patent's priority claim (*see* PO Brief, 8), but this is irrelevant; the Director has held that settled expectations, if any, start only when the patent is "in force." *Dabico Airport Sols. Inc. v. AXA Powers ApS*, IPR2025-00408, Paper 21 at 2 (PTAB June 18, 2025).

F.3d 1342, 1361-1362 (Fed. Cir. 2019) (patent owners have had the "expectation … for nearly four decades" that "patents are open to PTO reconsideration and possible cancelation."); *see also NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 19 (PTAB Sept. 12, 2018) (precedential) (rejecting patentee's contention that ten-year delay in challenging patent warranted discretionary denial). In fact, the assignment to ACT specified that ACT received rights, title, and interest "with respect to the patentable inventions filed by Assignee" including "reexaminations" confirming that ACT had expectations that its purchased patents would be reviewed. Ex.1053, 19.

Further, ACT did not show it acquired the prior owner's expectations in the patent, and ACT did not show that it developed its own expectations after the acquisition. ACT also failed to show the specifics of its acquisition reflect expectations in any particular purchased patent, for example, by showing the amount paid for the '303 patent or that particular emphasis was placed on the '303 patent during negotiations. ACT also did not show that it reviewed the patentability of the '303 patent before purchasing it, or that the seller provided some kind of representation or warranty regarding the '303 patent's validity.

Instead, ACT provided nothing to support its barebones, conclusory argument of settled expectations. As one notable failure, it withheld from the Director the purchase agreement, which would have shown the amount paid and any

representations as to validity of the '303 patent. The assignment record for the '303 patent filed with the Office (Ex.1053) omits relevant context, as it includes only Exhibit A, listing the patents purchased by ACT (spanning pages numbered 15-29), and Exhibit B, titled "Transfer Document for USPTO Recording" (spanning pages numbered 30-31). Exhibit B states that ACT received rights to the '303 patent in exchange for "good and valuable consideration" (Ex.1053, 19) but Exhibit B does not specify what that consideration was. Presumably, the missing pages of the agreement (pages 1-14 and 32-35) contain that information, but ACT did not provide them to the Director. The Director should infer from ACT's strategic decision to withhold those facts that the facts are adverse to ACT. Put another way, ACT's request that the Director discretionarily deny the Petition based on settled expectations without providing any evidence to the Director to support the existence of those settled expectations should be held against ACT.

While ACT refrained from providing the Director direct evidence of its subjective expectations, ACT's litigation strategy during its short existence provides substantial circumstantial evidence that ACT has no settled expectations as to the validity of any one particular patent asset it acquired from JVC Kenwood. ACT's first suit, filed in April 2022 (barely two months after its acquisition), asserted three unrelated patents against defendant TikTok, Inc. Ex.1064. Before the claim

construction hearing or any merits evaluation of ACT's acquired patents occurred, the parties settled their dispute. Ex.1065; Ex.1066.

In December 2022, ACT asserted the '303 patent and others (six patents in total) in parallel district court cases against LG Electronics Inc. and Samsung Electronics Co. Ltd. Ex.1056; Ex.1057. Before the claim construction hearing or any merits evaluation of ACT's acquired patents occurred, ACT and LG settled their dispute, and the case was dismissed. Ex.1067; Ex.1068. Samsung's case progressed to a claim construction hearing and order (Ex.1069), but just two months after Samsung's '327 IPR was instituted (in July 2024, along with institutions on other IPRs on ACT's asserted patents), ACT and Samsung settled their dispute, and the case was dismissed. Ex.1097. No further merits evaluation of ACT's patents occurred. Since then, ACT has asserted the patents against Google and Apple (*see* Ex.1083).

ACT's pattern of filing multiple lawsuits asserting a large number of patents and then settling the cases before any merits evaluation occurs, or once IPRs are instituted, indicates that ACT has no settled expectations as to any individual asserted patent. And, ACT apparently has no willingness to have its patents fully evaluated on the merits, whether by the Office or district court.

ACT's underdeveloped settled-expectations argument also runs contrary to governing IPR statutes. When Congress wanted to immunize patents of a certain

age from any post-issuance challenges, it did so expressly. When designing the regime for *inter partes* reexamination, for example, Congress expressly immunized (that is, carved out) "patents issued before 1999" from review. *See* H.R. Rep. No. 112-98, pt. 1, at 46-48 (2011). Congress similarly immunized patents of a certain age when it created the PGR procedure, restricting those challenges to patents with post-AIA effective filing dates, in turn foreclosing this avenue of review for older patents. *See, e.g.*, AIA §§ 3(n)(1), 6(f)(2)(A). Likewise, when Congress wanted to provide limits on post-issuance challenges, it did so with great detail; for example, Congress created the transitional program for reviewing covered business method patents, and expressly limited the patents that could be challenged under that type of review and the statutory categories of prior art that could be presented in those challenges, and also specified an expressly-defined sunset in 2020 that foreclosed this procedure after a fixed date. *See, e.g.*, AIA § 18.

Yet for IPRs, Congress took the opposite approach. Congress "eliminated" the *inter partes* reexamination date-based carveout so that, instead, "**all patents can be challenged** in *inter partes* review," regardless of age. *See* H.R. Rep. No. 112-98, at 46-48 (emphasis added). And rather than restrict *inter partes* review based on a patent's age or priority date, Congress only required a petitioner to wait for the nine-month PGR window to expire (to the extent applicable) (35 U.S.C. § 311(c)), and file within one year of being served with a complaint (§ 315(b)). "Congress's

choice to depart from the model of a closely related statute is a choice neither we nor the agency may disregard." *SAS Inst., Inc. v. Iancu*, 584 U.S. 357, 364 (2018).

If anything, ACT should only have the expectation that the '303 patent is likely unpatentable over Demircin. Any expectation that ACT may have once had regarding the validity of the Challenged Claims has long since been unsettled. The Board's '327 IPR institution decision instead conferred on both Google, and the general public, a settled expectation that the Challenged Claims are unpatentable. As detailed above, "[i]t is an appropriate use of Office resources to provide consistency and predictability to the public, and to ensure that a patent applicant or owner does not take action inconsistent with the judgment in a prior Office proceeding." *POSCO* at 3. Institution here would provide consistency and predictability by ensuring that the same claims in the same patent, in light of the same evidence, are treated the same between IPRs and petitioners, regardless of the assertion strategy of the patent owner. Discretionary denial of institution would disturb Google's and the public's settled expectations that the Office is focused on evaluating patents of questionable validity when error occurred during examination (*see infra* § III).

At best, ACT's expectations started in February 2022, when it obtained the '303 patent and first asserted it. But there is no bright-line rule for when expectations become settled (*see Dabico*, IPR2025-00408, Paper 21 at 3), and the Director has

yet to find three years to be a sufficient time to form settled expectations sufficient to discretionarily deny institution. The Director should not do so here.

Finally, despite the Interim Director Discretionary Process's requirement that a party's brief be "supported with facts **and evidence**" (Interim Director Discretionary Process § I.C.) ACT's brief includes no evidence supporting its purported "settled expectations."

Google's settled expectations accordingly weigh in favor of referral, and outweigh ACT's underexplained settled expectations contentions.[4]

F. Process Memorandum Factor 6, Compelling Economic and Public Interests, Supports Referral

The Process Memorandum's factor 6 is "[c]ompelling economic, public health, or national security interests." Process Memorandum, 2.

Compelling economic interests also favor institution because Google's strong economic presence in the United States has contributed to American innovation for almost 30 years. Ex.1072. Google employs over 100,000 people. Ex.1073. In 2024, Google invested over $49 billion in research and development to power American technological leadership, and to produce unprecedented leaps in artificial

[4] The Director's application of "settled expectations" also exceeds her authority under the law and is barred by judicial estoppel based on the Office repeatedly advancing the position that a patentee lacked an expectation that its patents would not be challenged. *See Celgene*, 931 F.3d at 1361-62; *see also* 5 U.S.C. § 706(2)(A).

intelligence and quantum computing capabilities that advance national security. *See* Ex.1073. Moreover, in 2024 Google created $850 billion in economic activity for American businesses, nonprofits, publishers, creators, and developers and maintains offices or data centers in twenty-six states. *See* Ex.1073.

ACT, by contrast, is a holding company formed just months before it acquired the '303 patent and others. Ex.1054. But ACT does not practice the claimed invention or sell any products related to the claimed technology. In other words, it does not contribute to or otherwise use its intellectual property for the advancement of economic interests in the United States. This factor therefore favors institution.

The Director should not entertain ACT's request to reward its actions with discretionary denial of this IPR. This IPR, and the patent it challenges, epitomizes the very purpose of IPRs "to weed out bad patent claims" that are being levied against the industry and burdening American companies' technological and economic contributions via "overpatenting." *Thryv, Inc. v. Click-To-Call Techs., LP*, 590 U.S. 45, 54 (2020). "The PTAB was established as the signature accomplishment of the bipartisan Leahy-Smith America Invents Act, arguably the most important patent law enacted by Congress in the last 50 years." Ex.1079, 2. "Congress was also concerned that poor-quality patents fueled litigation by so-called 'patent trolls,' a pejorative term for patent plaintiffs that do not manufacture or sell the patented products." Ex.1080, 2.

Referral and institution also serves the public interest, as doing so would not only streamline the instant dispute between ACT and Google, but also disputes involving other parties (e.g., Apple). Institution and a finding of unpatentability would prevent ACT from unjustifiably asserting the '303 patent against others in the future. Although the '303 patent is only currently asserted against Google and Apple, ACT's litigation history and its allegations that products that employ the widely-used AV1 standard infringe the '303 patent suggest that LG, Samsung, Google, and Apple do not complete the list of ACT's targets, and ACT is likely to continue its pattern of serially asserting its patent of questionable validity against additional defendants that also use the AV1 standard (*see, e.g.*, Ex.1075), creating further inefficiencies with the courts and the Office.

Accordingly, compelling economic and public interests weigh in favor of referral.

G. Process Memorandum Factor 7, Other Considerations, Supports Referral

The Process Memorandum also states that the parties should detail "[a]ny other considerations bearing on the Director's discretion." Process Memorandum, 2.

In addition to the factors detailed above that weigh in favor of referral and against denial, the Director has found the existence of a "complex and diverse" parallel litigation to "tip the balance against discretionary denial" because such

litigations involve multiple patents in different families claiming a diverse range of subject matter. *Tesla-I*; *see also Tesla, Inc. v. Intell. Ventures II LLC*, IPR2025-00340; IPR2025-00342; IPR2025-00343, Paper 10 (Director July 2, 2025) ("*Tesla-II*") (incorporating the analysis of *Tesla-I* and finding discretionary considerations did not favor discretionary denial for the same reasons); *see also American Airlines, Inc. v. Intell. Ventures I LLC*, IPR2025-00785, Paper 11 at 3 (Director Aug. 29, 2025) (citing *Tesla-I* and referring petitions to Board where asserted patents were directed to diverse range of subject matter including at least four distinct fields because "the Board is better suited to review a large number of patents involving diverse subject matter" despite that challenged patents were in force for approximately 14 and 18 years). In *Tesla-I*, the Director found that the "large number and vast scope of the patents asserted in the district court litigation [] weighs against discretionary denial, as the Board is better suited to review a large number of patents involving diverse subject matter." *Id.* The same holds true here.

ACT's litigation against Google involves six patents in five families. All six are subject to IPRs filed by Google, challenging all claims of each patent.

Family 1:

IPR	U.S. Patent No.	Title
IPR2025-00998	8,090,025	Moving-Picture Coding Apparatus Method and Program, and Moving-Picture Decoding Apparatus, Method and Program

Family 2:

IPR	U.S. Patent No.	Title
IPR2025-00999	9,986,303	Video Image Coding Data Transmitter, Video Image Coding Data Transmission Method, Video Image Coding Data Receiver, and Video Image Coding Data Transmission and Reception System

Family 3:

IPR	U.S. Patent No.	Title
IPR2025-01000	10,218,995	Moving Picture Encoding System, Moving Picture Encoding Method, Moving Picture Encoding Program, Moving Picture Decoding System, Moving Picture Decoding Method, Moving Picture Decoding Program, Moving Picture Reencoding System, Moving Picture Reencoding Method, Moving Picture Reencoding Program
IPR2025-01278	9,042,448	Moving Picture Encoding System, Moving Picture Encoding Method, Moving Picture Encoding Program, Moving Picture Decoding System, Moving Picture Decoding Method, Moving Picture Decoding Program, Moving Picture Reencoding System, Moving Picture Reencoding Method, and Moving Picture Reencoding Program

Family 4:

IPR	U.S. Patent No.	Title
IPR2025-01161	7,804,891	Device and Method for Judging Communication Quality and Program Used for the Judgment.

Family 5:

IPR	U.S. Patent No.	Title
IPR2025-01277	8,230,101	Server Device for Media, Method for Controlling Server for Media, and Program

As evidenced from their titles, the patents relate to a wide variety of subject matter. The claimed subject matter of the '303 patent, for example relates to adaptive bitrate streaming. This is distinct from the subject matter of the other five patents-at-issue: the subject matter of the asserted '025 patent is motion compensation and smoothing block borders; the subject matter of the asserted '995 and '448 patents is super-resolution image enhancement; the subject matter of the asserted '101 patent is storage of multimedia content; and the subject matter of the asserted '891 patent is communication quality judgment for wireless communication.

The diverse subject matter of the asserted patents is also evidenced by the vast differences in accused products and services across the set of patents. For example, with respect to the '303 patent, ACT accuses a laundry list of Google's products and services that use, e.g., "AV1 encoder/decoder chipsets" or "AV1 encoder/decoder software" that enables "AV1 decoding." PO Brief, 4. But with respect to the '101 patent, ACT alleges infringement of a different offering, "Google's systems and devices that perform network content delivery" which is not listed as an accused functionality with respect to the '303 patent. Ex.1081, 4. And with respect to the

'891 patent, ACT alleges infringement of a third set of offerings, "Google Pixel Smartphone products compliant with 5G NR," which is not listed as an accused product with respect to the '303 patent or '101 patent. Ex.1082, 4.

Accordingly, just like in *Tesla-I*, the litigation between the parties here involves a "large number and vast scope" of patents, and like *Tesla-I*, "the Board is better suited to review a large number of patents involving diverse subject matter." *Tesla-I* at 3; *see also Apple Inc. v. Apex Beam Techs. LLC*, IPR2025-00896, Paper 10 at 2-4 (Director Sept. 3, 2025) (*citing and quoting Tesla-I* in support of referring petitions, because petitioner explained that parallel district court proceeding involved multiple patents spanning multiple families with diverse range of subject matter). Further, the Board is even **better** suited to do so in these cases, because the Board has already performed a preliminary evaluation, for purposes of instituting trial, of half of the patents (the '025 patent, '303 patent, and '995 patent).

Additionally, review of the '303 patent is justified based on ACT's litigation strategy of serially asserting the patent against defendants alleging infringement by the same or similar products, which imposes inefficiencies on the district court and Office. *Cf. Samsung Elecs. Co. v. Iron Oak Techs., LLC*, IPR2018-01554, Paper 9 at 30-31 (PTAB Feb. 13, 2019) (Board, when evaluating the *General Plastic* factors, "decline[d] to wield [Patent Owner's] litigation activities as a shield."); *Toshiba Am. Info. Sys., Inc. v. Walletex Microelectronics Ltd.*, IPR2018-01538, Paper 11 at 21-

22 (PTAB Mar. 5, 2019) ("Patent Owner's complaint about the multiple *inter partes* review petitions filed against the [challenged] patent is not persuasive when the volume appears to be a direct result of its own litigation activity."). ACT asserted the '303 patent first against LG and Samsung, implicating those defendants' products "compliant with the AV1 …. Standard[]." Ex.1056, 31; Ex.1057, 19. Only after those litigations progressed did it assert the patent against Google, and once it did so, it accused Google and Google's products compliant with the same AV1 standard as allegedly infringing. Ex.1051, 46. It did the same two months later against Apple. Ex.1083, 25-26. If ACT was truly concerned about "efficiency," as it claims to be now (PO Brief, 2), it could have chosen a strategy that would have permitted the district court and Office to leverage efficiencies in addressing its patents and overlapping allegations, but it failed to do so. ACT's inefficient litigation conduct therefore also supports review of the '303 patent and weighs in favor of the Director not exercising discretion to deny institution. *See also Berkshire Hathaway Energy Co. v. Birchtech Corp.*, IPR2025-00274, Paper 23 at 2 (Director July 2, 2025) (patent owner's assertion against a large number of parties weighed in favor of referral because "resolving the dispute … at the Office would be more efficient.").

Accordingly, this factor weighs strongly in favor of referral.

III. The Office's Error During Examination Supports Referral

ACT's PO Brief presents no arguments in favor of discretionary denial under § 325(d) and the *Advanced Bionics* framework, and any such arguments are therefore waived. Nevertheless, analysis under the § 325(d) and *Advanced Bionics* framework shows that the Office erred during prosecution, and this precedent therefore weighs in favor of review of the '303 patent's claims by the Board.

Under § 325(d), "the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office." 35 U.S.C. § 325(d). In determining whether to exercise discretion under § 325(d), the Board "uses the following two-part framework: (1) whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office; and (2) if either condition of first part of the framework is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims." *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 8 (PTAB Feb. 13, 2020) (precedential) ("*Advanced Bionics*"). The *Advanced Bionics* decision applies this two-part framework using the *Becton* factors for considering discretionary denial under § 325(d). *Id.* at 7-11 (*citing Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 (PTAB Dec. 15, 2017)

(precedential as to § III.C.5, first paragraph) ("*Becton*")). Both prongs of the *Advanced Bionics* framework favor institution here.

Under the first part, the "same or substantially the same art" was not presented to the Office, so *Advanced Bionics* part one is not satisfied. Google's Petition relies on Demircin, Chen, and Karczewicz.[5] None of these references is identified on the face of the '303 patent as having been cited by either the applicant or examiner during original examination, and certainly none were applied in a rejection or identified in the examiner's reasons for allowance.

Because the '303 patent's original examination did not involve negotiation between the applicant and the examiner regarding the prior art teachings applied in the Petition, this Petition's art and arguments cannot be said to be the same as, or substantially similar to, the art or arguments previously presented to the Office in connection with the '303 patent. *See Hamilton Techs. LLC v. Fleur Tehrani*,

[5] The examiner cited a Demircin reference (U.S. Pub. 2006/0095944), which is materially different than the Petition's Demircin reference (Ex.1005, U.S. Pub. 2008/0181302) (e.g., delayed transmission of NAL units in SVC). Likewise, the two Chen references (U.S. Patent 5,886,736 and U.S. Pub. 2008/0144723) the examiner cited are different than the Chen reference (Ex.1029, U.S. Patent Publication No. 2012/0016965) in the Petition.

IPR2020-01199, Paper 6 at 21 (PTAB Jan. 6, 2021) (where IPR prior art was "not before the examiner, the examiner could not have considered the combination … during prosecution."); *Samsung Elecs. Co. Ltd. v. MemoryWeb, LLC,* PGR2022-00034, Paper 11 at 17-20 (PTAB Nov. 17, 2022) (where "each of the grounds presented … rel[ied] upon prior art that was not considered by the Office" part one was not satisfied). The Office therefore erred at least in not applying the teachings of Demircin, Chen, and Karczewicz.

In fact, Office error pervaded the '303 patent's examination. The claims were repeatedly rejected over the teachings of various references. *See, e.g.*, Ex.1002, 64-76, 100-112, 134-148. In a second final office action, some of the pending claims remained rejected, but the examiner allowed two claims (prosecution claims 8 and 11, which became issued claims 1 and 2). Ex.1002, 171-180. The Allowable Subject Matter section of the final office action indicates that the examiner allowed the claims based on the recitation of "receiving the supplementary video image coding data including a supplemental hierarchical picture having coding order and display order that are earlier by a factor of the group of pictures than those of a basic hierarchical picture included in the basic video image coding data" (Ex.1002, 178) which was newly-introduced by amendments to the claims after the examiner's preceding non-final office action. The Petition refers to this limitation as limitation [1.5.2]. *See* Petition, xi.

But as the Petition and Dr. Reader's declaration demonstrate, this limitation was well-known by the '303 patent's alleged priority date, as shown in different ways by both Demircin and Chen. *See* Petition, 27-41 (Demircin), 60-67 (Chen). In fact, Demircin teaches this limitation in two materially different ways, demonstrating the well-known nature of the claims' allegedly allowable subject matter. Demircin pre-dates the '303 patent's earliest claimed priority date by over seven years, and Chen pre-dates the '303 patent's earliest claimed priority date by over three years. The Office therefore clearly erred in allowing the '303 patent's claims based on the mere incorporation of subject matter corresponding to prior art technologies that were known before the '303 patent's priority date.

Accordingly, based on the additional Office error shown above, and for the same reasons as the Board wrote in the '327 IPR, "to provide consistency and predictability to the public," the Director should find here too that the Office erred. Accordingly, the Board's *Advanced Bionics* precedent and the Director's discretionary decisions support referral, and trial is warranted to review "a material error by the Office." *Microsoft v. ParTec*, IPR2025-00318, Paper 9 at 3 (Director June 12, 2025) ("*ParTec*") ("the Petitioner appears to show a material error by the Office and it is an appropriate use of Office resources to review the potential error."); *Taiwan Semiconductor Mfg. Co. v. Marlin Semiconductor Ltd.*, IPR2025-00847, Paper 11 at 3-4 (Director Sept. 3, 2025) (referring petition despite nine-month gap

between ITC hearing and final written decision and 15-year old patent because petitioner had shown that prior art teachings disclosed claim features added by amendment that examiner relied upon for allowance); *see also Yealink (USA) Network Tech. Co. v. Barco N.V.*, IPR2025-00491, Paper 18 at 2-3 (Director June 25, 2025) (referring case and stating "Petitioner provides persuasive evidence that the Office erred in a manner material to the patentability of the challenged claims" where examiner did not consider that claimed term was "well known in the art"); *Tesla, Inc. v. Charge Fusion Techs., LLC*, IPR2025-00152, Paper 11 at 2 (Director June 12, 2025) (referring to the panel where "Petitioner provides persuasive evidence that the Office erred in a manner material to the patentability of the challenged claims by overlooking the teachings of [a reference during prosecution]."); *Microsoft Corp. v. X1 Discovery, Inc.*, IPR2025-00253, Paper 13 at 2-3 (Director June 25, 2025) (given Examiner's material error in prosecution, rejecting discretionary denial for 17-year old, 8-year old, and 5.5-year old patents); *Anthony Inc. v. Controltec LLC*, IPR2025-00559, Paper 9 at 2 (Director, July 16, 2025) (finding discretionary denial unwarranted despite the challenged patents having being in force for about 17 and 18 years because the examiner overlooked a prior art reference); *Eunsung Glob. Corp. v. Hydrafacial LLC*, IPR2025-00445, Paper 14, at 2-3 (Director July 10, 2025) (given Examiner's mistake about prior art's disclosure, rejecting discretionary denial for 8.5-year old patent); *Embody, Inc. v.*

LifeNet Health, IPR2025-00248, Paper 13, at 2-3 (Director June 26, 2025) (given prior art remedying reason for allowance, rejecting discretionary denial for 6.5-year old patent); *Activision Blizzard, Inc. v. Milestone Entertainment LLC*, IPR2025-00708, Paper 13 at 2-3 (Director Aug. 14, 2025) (rejecting discretionary denial request as to a patent "issued almost twelve years ago," as claims omitted limitations cited by Office as basis for allowing parent); *Skullcandy, Inc. v. Earin AB*, IPR2025-00690, Paper 9 at 2 (Director July 31, 2025) (rejecting discretionary denial request as to a patent "issued nine years ago" despite "strong settled expectations," as petitioner "appear[ed] to show a material error by the Office"); *Xencor, Inc. v. Merus N.V.*, IPR2025-00604, Paper 12 at 2 (Director July 17, 2025) (rejecting discretionary denial request for patent "in force for approximately nine years" because "Petitioner provides persuasive reasoning, supported by evidence, that discretionary denial under 35 U.S.C. § 325(d) is not appropriate because the Office materially erred during prosecution of the challenged patent" by overlooking the teachings of a reference during prosecution); *Amazon.com, Inc., v. Soundclear Techs. LLC*, IPR2025-00565, Paper 11 at 2 (Director July 10, 2025) (petitioner's persuasive argument of Office error supported referral).

Accordingly, contrary to the reasoning in *Dabico* (*see* PO Brief, 9), here Google has "provide[d] []persuasive reasoning why an *inter partes* review is an appropriate use of Office resources," as detailed in this section: to address the

Office's errors during examination. IPR2025-00408, Paper 21, at 3 (Director June 18, 2025). Consistent with the Director's decisions and Board's previous determinations in the '327 IPR, the Office's errors with respect to the '303 patent therefore weigh heavily against discretionary denial.

IV. *General Plastic* Factors Weigh in Favor of Referral

The PO Brief presents no argument in favor of discretionary denial under the *General Plastic* framework, and the *General Plastic* precedent indeed does not weigh in favor of discretionary denial. *See Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (PTAB Sept. 6, 2017) (precedential); *Valve Corp. v. Elec. Scripting Prods., Inc.*, IPR2019-00062, Paper 11 (PTAB Apr. 2, 2019) (precedential). Google has not previously filed a petition directed to any claim of the '303 patent. While Samsung previously filed the '327 IPR challenging the '303 patent, Google is neither "the same party" as Samsung, nor does Google "possess a significant [*Valve*-like] relationship" with Samsung with respect to the '303 patent and under the Office's precedent; thus, "under *Valve*, *General Plastic* factor one necessarily outweighs the other *General Plastic* factors" such that *General Plastic* does not suggest discretionary denial is appropriate. *Videndum Prod. Sols., Inc. v. Rotolight Ltd.*, IPR2023-01218, Paper 12 at 6 (PTAB Apr. 19, 2024); *see also, e.g.*, *Samsung Elecs. Co. v. Seven Networks, LLC*, IPR2018-01108, Paper 22 at 11-19 (PTAB Nov. 28, 2018) (finding Google and Samsung to be independent

companies with only a standard customer-supplier relationship, and finding no real-party-in-interest or privy relationship between Google and Samsung). Additionally, Google "had no involvement with, much less input into, [Samsung's] IPR." *Ford Motor Co. v. Neo Wireless LLC*, IPR2023-00763, Paper 28 at 5 (PTAB Mar. 22, 2024). Rather, Google and Samsung are nothing more than defendants in "different district court proceedings" involving "different allegedly infringing products." *Id*. 9-10.

The '303 patent is also being challenged by Apple Inc. in IPR2025-00983, but the PO Brief presents no argument that Apple's petition should impact the Director's decision on discretion, and it should not.[6] Just as Google and Samsung are not the same party such that *General Plastic* applies, Google and Apple are likewise not the same party and do not possess a significant relationship with each other, and Google had no involvement with or input into Apple's IPR. Google and Apple are similarly nothing more than defendants in different district court proceedings with different allegedly infringing products. Google and Apple's separate petition filings are the

[6] Google's Petition and Apple's Petition are not considered "parallel petitions" as the Trial Practice Guide defines that term, because they were not filed by the same petitioner, and therefore, no ranking paper was necessary; ACT does not suggest otherwise in the PO Brief. *See* Trial Practice Guide, 58-59.

product solely of ACT's "staggered assertions" of the '303 patent, nothing more. *Volkswagen Group of Am., Inc. v. Neo Wireless LLC*, IPR2022-01537, Paper 8 at 11-12 (PTAB May 5, 2023).

Accordingly, the *General Plastic* factors do not weigh in favor of discretionary denial.

V. The *Fintiv* Factors Weigh in Favor of Referral

Nearly the entirety of the PO Brief is dedicated to arguing that the Director should deny the Petition under § 314(a) given the parallel litigation. But the Director should decline to exercise discretion under 35 U.S.C. § 314(a) because efficiency, fairness, and the merits support institution. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (Mar. 20, 2020) (precedential) ("*Fintiv*"). Each *Fintiv* factor is addressed below; holistically assessed, the *Fintiv* factors and the considerations detailed above do not suggest denial is appropriate.

A. *Fintiv* Factor 1: No Stay Requested But May Be Granted, Weighing in Favor of Referral/Institution or at Worst Neutral

ACT's brief does not address this *Fintiv* factor. *Fintiv* Factor 1 is concerned with whether a stay exists or may be granted "if a proceeding is instituted." *Fintiv,* at 6 (PTAB Mar. 20, 2020).

Here, "the record contains adequate evidence that the District Court may grant a stay upon institution," even if "not specifically directed to this proceeding," and thus this factor weighs against discretionary denial. *See Juniper Networks, Inc. v.*

Packet Intelligence LLC, IPR2020-00336, Paper 21 at 16 (PTAB Sept. 10, 2020) ("[T]he District Court's statements provide some evidence that it *may* grant a stay upon institution considering all circumstances at the time the motion is filed"—"This is all the first *Fintiv* factor asks.") (emphasis in original).

Given the facts here, a stay is possible. In deciding whether to stay litigation pending IPR, the Eastern District of Texas considers three factors: (1) whether a stay will unduly prejudice or present clear tactical disadvantage to the nonmoving party, (2) whether a stay will simplify the issues in question and the trial of the case, and (3) whether discovery is complete and whether a trial date has been set. *BarTex Rsch., LLC v. FedEx Corp.*, 611 F. Supp. 2d 647, 649-50 (E.D. Tex. 2009)).

The district court often stays litigation even when the final written decision deadline lags the scheduled trial date by several months. *See, e.g.*, *Commc'n Techs., Inc. v. Samsung Elecs. Am., Inc.*, No. 2:21-cv-00444-JRG, 2023 WL 1478447, at *1, *5 (E.D. Tex. Feb. 2, 2023) (Gilstrap, J.) (five months); *Broadphone LLC v. Samsung Elecs. Co.*, No. 2:23-cv-00001-JRG, 2024 WL 3524022, at *2-3 (E.D. Tex. July 24, 2024) (Gilstrap, J.) (three months). And, the Eastern District of Texas regularly finds that instituted IPRs meet the stay factors and issues stays despite its otherwise aggressive procedural schedules. *See, e.g.*, *Cobblestone Wireless, LLC v. Cisco Sys., Inc.*, No. 2:23-cv-00454-JRG-RSP, 2024 WL 5047854 (E.D. Tex. Dec. 9, 2024); *Foras Techs. Ltd. v. Aptiv PLC*, No. 2:23-cv-00314-JRG, 2024 WL

5348631 (E.D. Tex. July 25, 2024); *Broadphone*, 2024 WL 3524022; *STA Grp. LLC v. Motorola Sols., Inc.*, No. 2:22-cv-00381-JRG-RSP, 2024 WL 2852961 (E.D. Tex. June 5, 2024); *Resonant Sys., Inc. v. Samsung Elecs. Co.*, No. 2:22-cv-00423-JRG, 2024 WL 1021023 (E.D. Tex. Mar. 8, 2024); *Commc'n Techs.*, 2023 WL 1478447; *Vill. Green Techs., LLC v. Samsung Elecs. Co.*, No. 2:22-cv-00099-JRG, 2023 WL 416419 (E.D. Tex. Jan. 25, 2023). Further, based on Docket Navigator statistics, Judge Gilstrap grants motions to stay IPRs regularly. *See* Ex.1086. That Judge Gilstrap does not favor or grant **pre-IPR** institution stays does not mean a **post-IPR** institution stay is unlikely here.

The Eastern District of Texas has also observed that the PTAB's determination in IPR "could narrow the issues before the court, prevent duplicative or unnecessary discovery, and encourage settlement or dismissal." *Norman IP Holdings, LLC v. TP-Link Techs.*, Co., No. 6:13-cv-384-JDL, 2014 WL 5035718, at *3 (E.D. Tex. Oct. 8, 2014). That is what occurred after the '327 IPR was instituted: ACT settled its disputes with Samsung. And, removing asserted patents or claims from a litigation due to parallel IPR proceedings creates invaluable efficiencies in the district court. Indeed, though all of Google's petitions are meritorious and should be instituted, the Eastern District of Texas does not even require that all petitions for asserted patents be instituted in order to find that a stay will create efficiencies and assist the district court. The court has stayed entire cases where only some of the

asserted patents had instituted IPRs. *See OnPoint Sys., LLC v. Protect Animals With Satellites, LLC*, No. 4:20-cv-657, 2022 WL 2704166 (E.D. Tex. July 12, 2022).

The court has also found that "the outcome of a PTO proceeding is likely to assist the court in determining patent validity or eliminate the need to try infringement issues." *NFC Tech. LLC v. HTC Am., Inc.*, No. 2:13-cv-1058-WCB, 2015 WL 1069111, at *1 (E.D. Tex. Mar. 11, 2015) (*quoting Evolutionary Intelligence, LLC v. Millennial Media, Inc.*, No. 5:13-cv-4206, 2014 WL 2738501, at *2 (N.D. Cal. June 11, 2014)). Thus, any IPR that stands to remove or greatly reduce the number of asserted patents or claims is "likely to assist" the district court. *NFC Tech.*, 2015 WL 1069111, at *1. The value of IPRs is not simply to moot entire district court trials; rather, it is to streamline unwieldy trials for which justice is otherwise out of reach due to cost, complexity, and limited trial time. This is such a case. Streamlining is especially helpful where, as here, each of the multiple asserted patents covers very different subject matter and Google's Petitions cite different prior art. There are significant efficiencies to be gained by adjudicating validity before the PTAB to assist the district court in streamlining the case.

Even if this factor does not weigh in favor of institution based on the above, at the very least, Google has not requested a stay in the parallel litigation, so *Fintiv* factor 1 is neutral. *See, e.g., Hulu, LLC v. SITO Mobile R&D IP, Ltd.*, IPR2021-00298, Paper 11 at 10-11 (PTAB May 19, 2021).

Factor 1, properly considered for how the district court will likely rule post-institution under the particular facts here, should weigh in favor of institution, or at worst, neutrally.

B. *Fintiv* Factor 2: Schedule Weighs Neutrally for Referral/Institution

Although jury selection is scheduled for March 2026, there is evidence that trial will not commence then, and thus, Factor 2 does not weigh strongly in favor of discretionary denial as ACT contends.

According to Former Chief Judge Boalick's Guidance on USPTO's Recission of "Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation," "in applying *Fintiv*, the Board may consider **any evidence that the parties make of record that bears on the proximity of the district court's trial date** or the ITC's final determination target date, **including median time-to-trial statistics** for civil actions in the district court in which the parallel litigation resides." (emphasis added).

The most recent statistics available show the median time from filing to trial of cases in the Eastern District of Texas is roughly 26 months. Ex.1087 (https://www.uscourts.gov/data-news/data-tables/2025/03/31/federal-judicial-caseload-statistics/c-5 showing 26.2 months to trial); Ex.1088 (https://www.uscourts.gov/sites/default/files/document/fcms_na_distprofile0331.2025.pdf showing 25.9 months to trial). Based on these statistics, and measuring from

the filing of ACT's first complaint in May 2024, trial will not occur until at least July 2026 — a full three months after the currently-scheduled March 2026 jury selection date, and only five months before the projected statutory deadline for a final written decision in this proceeding. The Director has referred petitions even in light of a similar difference between a relevant ITC date and the final written decision date, after all discretionary considerations were assessed as a whole. *See, e.g.*, *POSCO* at 2-3 (referring to the Board petition despite ITC investigation completion date preceding final written decision by nine months given petitioner's arguments regarding petition's merits). A balanced assessment of the *Fintiv* factors by the Board has similarly resulted in trial institution despite a five-month or more gap between a scheduled trial date and final written decision due date. *See Kia Corp. v. Emerging Auto. LLC*, IPR2024-00981, Paper 10 at 20, 23 (PTAB Dec. 18, 2024); *Google LLC v. Multimodal Media LLC*, IPR2024-00056, Paper 9, at 8 (PTAB Apr. 12, 2024) (IPR instituted with approximately six months between trial and expected FWD).

Additionally, ACT fails to mention that Judge Gilstrap set the jury selection date at a July 18, 2024 scheduling conference. Ex.1089 (July 18, 2024 minute entry stating "Court proceeded to provide counsel with Claim Construction and Jury Selection/Trial dates"). Subsequently the parties agreed on a schedule for briefing on August 1, 2024, as Judge Gilstrap required. Ex.1090 (proposed docket control

order due 2 weeks after scheduling conference); Ex.1091 (Joint Motion for Docket Control Order and Proposed Docket Control Order). Just **one day later**, on August 2, 2024, ACT filed an amended complaint adding three new patents to the case without previously notifying the Court or Google that it planned to do so. Ex.1092 (ACT's Amended Complaint). Had ACT filed its Amended Complaint two weeks earlier, before the scheduling conference, it likely would have pushed the Court's jury selection date further back, or had ACT filed it even a day earlier, it is unlikely that the parties would have agreed on the Joint Motion for Docket Control Order. Two of ACT's patents asserted in its amended complaint (the '101 patent and '891 patent) were unrelated to the patents included in the original complaint, and those allegations of infringement implicated new products, further complicating the district court proceeding. ACT's strategic decision to withhold filing its amended complaint, at the very least, suggests the district court's trial date should be measured using the time-to-trial statistics with the **amended complaint filing date** as the starting date, which would put trial in October 2026, only two months before the statutory deadline for a final written decision in this case. *See also Shenzhen Tuozhu Tech. Co. v. Stratasys, Inc.*, IPR2025-00321, Paper 10 at 10 (PTAB June 18, 2025) (considering "recent median time-to-trial statistics for Judge Gilstrap" and finding "this factor is neutral or weighs slightly against discretionary denial") (emphasis added).

Other "evidence … that bears on the proximity of the district court's trial date" also suggests the trial date is uncertain. Judge Gilstrap has jury selection in two other cases and pretrial conferences in five other cases all scheduled on March 2, 2026. *See* Ex.1093, 3-4 (*Brewster v. ProPlayer Athletics, LLC et al.* and *Wynne v. Allstate Vehicle and Property Insurance Company* set for jury selection on March 2, 2026); *see also BOE Tech. Grp. Co. v. Optronic Scis. LLC,* IPR2024-01131, Paper 15 at 11 (PTAB Feb. 12, 2025) (evaluating case with parallel litigation in Judge Gilstrap's court and holding: "Because a number of cases are scheduled for jury selection on January 5, 2026…, there is some uncertainty whether the trial in that proceeding would actually begin on that date… **we consider this factor to be neutral or weigh slightly against** exercising our discretion to deny institution under *Fintiv*" (emphasis added)); *ClearCorrect Operating LLC v. Align Technology, Inc.*, IPR2025-00814, Paper 14 at 2 (Director Aug. 29, 2025) (referring petitions to Board finding uncertainty regarding whether final written decision would issue after trial date neither favored nor counseled against discretionary denial). One or more of these dates is likely to slip, and trial is statistically very likely to be delayed. *See* Ex.1094 (studying reliance on the initially scheduled trial dates in *Fintiv* analysis and finding the dates were "wrong 94% of the time" compared to the actual trial dates, the vast majority being delayed 3-6 months). Accordingly, the trial date in the present case is uncertain, at best, and may begin after the final written decision

deadline. *Fintiv* Factor 2 therefore does not weigh strongly in favor of exercising discretion; at worst, it is neutral.

C. *Fintiv* Factor 3: Investment Weighs In Favor of Referral/Institution

Fintiv Factor 3 considers the investment in the parallel proceeding by the court and the parties. *Fintiv*, IPR2020-00019, Paper 11 at 9-12. "This investment factor is related to the trial date factor, in that more work completed by the parties and court in the parallel proceeding tends to support the arguments that the parallel proceeding is more advanced, a stay may be less likely, and instituting would lead to duplicative costs." *Id*. at 10. As part of this factor, the Office may consider whether the district court has issued a claim construction order or other substantive orders in the parallel proceeding related to the patent-at-issue in the petition. *See id*. at 10, n.17. "If, at the time of the institution decision, the district court has not issued orders related to the patent at issue in the petition, this fact weighs against exercising discretion to deny institution." *Id.* at 10. When "a significant portion of work remains to be done in the district court proceeding" this factor weighs against discretionary denial. *Protect Animals With Satellites LLC v. OnPoint Sys., LLC*, IPR2021-01483, Paper 11 at 14-15 (PTAB Mar. 4, 2022).

Judge Gilstrap has not yet held a claim construction hearing in the parallel proceeding, and it is unknown whether a claim construction order will issue before the Board's institution decision. No other orders related to the '303 patent have

issued in the parallel proceeding. Accordingly, the circumstances here suggest this factor weighs against discretionary denial, or at worst, is neutral.

D. *Fintiv* Factor 4: Limited Overlap Weighs in Favor of Referral/Institution

Factor 4 considers the overlap between issues raised in the petition and in the parallel proceeding. *Fintiv*, IPR2020-00019, Paper 11 at 12-13. This factor favors referral and institution.

Google provided a *Sotera* stipulation to ACT. *See* Ex.1046. A *Sotera* stipulation weighs strongly against exercising discretion to deny institution. *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 19 (PTAB Dec. 1, 2020) (precedential); *Charter Commc'ns Inc. v. Adaptive Spectrum & Signal Alignment, Inc.*, IPR2025-00087, Paper 14 at 14 (PTAB May 5, 2025) (finding offered *Sotera* stipulation "weigh[ed] strongly in favor of not exercising discretion to deny institution"). There is no allegation by ACT that the presence of invalidating systems in the litigation impacts Factor 4, and such an argument would be wrong. *See, e.g.*, *Meta Platforms, Inc. v. Eight KHZ, LLC*, IPR2023-01003, Paper 9 at 11-12 (PTAB Jan. 9, 2024) (rejecting patent owner argument about the "right to assert overlapping system art in the district court," because the argument "essentially attacks the reasoning of *Sotera* itself" despite *Sotera* remaining binding precedent); *see also MED-EL Elektromedizinische Geräte GmbH v. Sonova AG*, IPR2020-

00176, Paper 13 at 15 (PTAB June 3, 2020) (any overlap "may inure to the district court's benefit … by simplifying issues for trial").

Accordingly, given Google's *Sotera* stipulation and the estoppel that will apply upon issuance of a final written decision, there will be minimal or no overlap between the invalidity issues raised in the Petition and those that will be raised before Judge Gilstrap. Accordingly, Factor 4 weighs in favor of referral and institution.

E. *Fintiv* Factor 5: Same Parties Weighs Neutrally for Referral/Institution

Factor 5 considers whether the parties are the same. *Fintiv*, IPR2020-00019, Paper 11 at 13-14. The Board regularly weighs this factor as neutral when the parties are the same. *See, e.g.*, *Snap, Inc. v. SRK Tech. LLC*, IPR2020-00820, Paper 15 at 16 (PTAB Oct. 21, 2020) ("we regard the consideration of the fifth *Fintiv* factor as neutral or, at most, weighing slightly in favor of exercising discretion to deny institution."); *Nokia v. Soto*, IPR2023-00680, Paper 30 at 13 (Director Dec. 3, 2024) ("I agree with the parties that *Fintiv* factor 5 is neutral."); *HP Inc. v. Slingshot Printing LLC*, IPR2020-01084, Paper 13 at 9 (PTAB Jan. 14, 2021) (having the "same parties as parallel proceeding" makes factor 5 "neutral"). Accordingly, Factor 5 is neutral.

F. *Fintiv* Factor 6: Other Circumstances Weigh in Favor of Referral/Institution

Factor 6 considers "other circumstances" that impact discretionary denial, such as the merits of the petition. *Fintiv*, IPR2020-00019, Paper 11 at 14-16. This factor strongly favors referral and weighs against discretionary denial.

As detailed above, the Board's institution decision in the '327 IPR evidences the strong merits of Google's Petition. Thus, like the Director's decision in *Tesla-I*, "discretionary denial of institution is not appropriate" here, where "the merits are strong because the Board previously determined there was a reasonable likelihood" that the claims "were unpatentable." *Tesla-I* at 2; *see also ParTec* at 3 ("Ordinarily, a scheduled district court trial date that precedes the date projected for a Board final written decision weighs in favor of exercising discretion to deny the Petition. Here, however, the Petitioner appears to show a material error by the Office and it is an appropriate use of Office resources to review the potential error.").

Additionally, the Guidance Memo states that the Office has restored policy to the guidance in place before the June 21, 2022, Interim Procedure. Reasoning in decisions prior to June 2022 confirm the Petition's strong showing on the merits, which, when taking a "holistic view of whether efficiency and integrity of the system are best served by denying or instituting review" (*Fintiv*, 6) weighs in favor of referral and institution. *See also, e.g.*, *Illumina Inc. v. Trs. of Columbia Univ.*, IPR2020-00988, Paper 20 at 8-15 (PTAB Dec. 8, 2020) (declining to deny even

though four *Fintiv* factors weighed in favor of denial and remaining factor was neutral because strong evidence on the merits and history of IPR proceedings involving similar claims and prior art outweighed other *Fintiv* factors); *Synthego Corp. v. Agilent Techs., Inc.*, IPR2022-00402, Paper 11 at 12-19 (PTAB May 31, 2022) (granting institution as "efficiency and integrity of the system" would not be served by denying institution of petition with "particularly strong" evidence on the merits); *Samsung Elecs. Co. v. Scramoge Tech., Ltd.*, IPR2022-00241, Paper 10 (PTAB June 13, 2022) (*Fintiv* analysis concluded that "very strong" evidence on the merits outweighed concurrent litigation involving earlier scheduled trial date and significant overlap in proceedings); *Illumina, Inc. v. Natera, Inc.,* IPR2019-01201, Paper 19 at 8 (PTAB Dec. 18, 2019) (instituting despite jury trial being scheduled to start five months before final written decision, where district court litigation involved fewer claims and different prior art and Board found that strong merits can "outweigh[] relatively weaker countervailing considerations of efficiency"); *NetNut Ltd. v. Bright Data Ltd.*, IPR2021-01492, Paper 12 at 9-16 (PTAB Mar. 21, 2022) (instituting IPR with approximately six month gap between district court trial and final written decision in part because merits were strong); *Coolit Sys., Inc. v. Asetek Danmark A/S*, IPR2021-01195, Paper 10 at 11 (PTAB Dec. 28, 2021) (instituting IPR with five month gap between district court trial and final written decision in part because merits were "substantively strong").

Finally, one of *Fintiv's* primary policy considerations is to improve "patent quality". *Fintiv* at 6. Indeed, the Supreme Court noted that improving "patent quality" was an "important congressional objective" underlying the creation of the IPR process. *In re Cuozzo Speed Techs.*, 579 U.S. 261, 272 (2016) (quoting H.R. REP. 112- 98, pt. 1, at 45, 48 and citing 157 Cong. Rec. 9778 (2011)). Patent quality is best served by reviewing a patent that the Board has already acknowledged to be weak on the merits; by contrast, it is a **disservice** to the public and to patent quality to let these claims go unreviewed. The claims have not changed, the art with respect to claim 1 has not changed, and there is no reason why the Director should alter the outcome that the Board has already reached. The *Fintiv* analysis confirms the Director should refer the present Petition.

VI. Conclusion

For the reasons set forth above, a holistic assessment of the arguments and evidence present in this case demonstrates that the Director should deny Patent Owner's Request for Discretionary Denial and refer the Petition to the Board for an evaluation on the merits.[7]

Respectfully submitted,

Dated: September 12, 2025

By: / Raghav Bajaj /

Raghav Bajaj (Reg. No. 66,630)
raghav.bajaj@lw.com
Latham & Watkins LLP
300 Colorado Ave. Suite 2400
Austin, TX 78701
Telephone: 737.910.7370
Fax: 737.910.7301

Counsel for Petitioner
Google LLC

[7] Petitioner reserves the right to challenge the March 26, 2025 Interim Processes for PTAB Workload Management, including that document's list of "relevant factors," at least because that document is legally invalid as (1) exceeding the Director's authority, (2) arbitrary and capricious, and (3) adopted without notice-and-comment rulemaking.

CERTIFICATE OF COMPLIANCE WITH 37 C.F.R. § 42.24

I hereby certify that this Petitioner's Opposition to Patent Owner's Request for Discretionary Denial of Institution complies with the word count limitation outlined in the Memorandum on Interim Processes for PTAB Workload Management (PTAB Mar. 26, 2025) and consistent with 37 C.F.R. § 42.24 because the Petitioner's Opposition to Patent Owner's Request for Discretionary Denial of Institution contains a total of 11,494 words calculated by Microsoft Word's word-count feature. This total excludes the cover page, signature block, and the parts of the Petitioner's Opposition to Patent Owner's Request for Discretionary Denial of Institution exempted by 37 C.F.R. § 42.24(a)(1).

By: / Raghav Bajaj /

Raghav Bajaj (Reg. No. 66,630)
raghav.bajaj@lw.com
Latham & Watkins LLP
300 Colorado Ave. Suite 2400
Austin, TX 78701
Telephone: 737.910.7370
Fax: 737.910.7301

Counsel for Petitioner
Google LLC

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), I certify that on this 12th day of September, 2025, a true and correct copy of the foregoing **Petitioner's Opposition to Patent Owner's Request for Discretionary Denial of Institution and all Exhibits** were served by electronic mail on Patent Owner's lead and backup counsel at the following email addresses:

Peter Lambrianakos
Vincent J. Rubino, III
Alfred R. Fabricant
Joseph M. Mercadante
Julian G. Pymento
FABRICANT LLP
PTAB@fabricantllp.com
plambrianakos@fabricantllp.com
vrubino@fabricantllp.com
ffabricant@fabricantllp.com
jmercadante@fabricantllp.com
jpymento@fabricantllp.com

By: / Raghav Bajaj /

Raghav Bajaj (Reg. No. 66,630)
raghav.bajaj@lw.com
Latham & Watkins LLP
300 Colorado Ave. Suite 2400
Austin, TX 78701
Telephone: 737.910.7370
Fax: 737.910.7301

Counsel for Petitioner
Google LLC