UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

GOOGLE LLC,

Petitioner,

v.

ADVANCED CODING TECHNOLOGIES LLC,

Patent Owner.

Patent No. 9,986,303
Filing Date: March 13, 2015
Issue Date: May 29, 2018

Inventors: Hideki Takehara and Motoharu Ueda
Title: 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

AUTHORIZED RESPONSE TO DIRECTOR REVIEW REQUEST

Case No. IPR2025-00999

TABLE OF AUTHORITIES

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Director Review is unnecessary because the Director has already determined that institution of an IPR on this seven-year-old patent that claims priority to an application from 11 years ago, whose validity will be tried to a jury in March 2026, is not an appropriate use of the Office's resources.

Google, unsatisfied with the result, raises a number of improper "errors" in the Director's previous decision not to institute. But Google merely disagrees with the Director's decision, and such disagreement does not warrant Director Review.

I. THE PRIOR FINDINGS MEMO IS INAPPLICABLE

Google first argues that the September 16, 2025 Memorandum titled "PTAB consideration of prior findings of fact and conclusions of law" (the "Prior Findings Memo") compels a technical explanation as to why a similar IPR against this patent was instituted in 2024.

The Prior Findings Memo applies to claims that "have already been adjudicated before the Office, in district court, or at the U.S. International Trade Commission (ITC)." Prior Findings Memo, at 1. But no such adjudication took place here. The Board in the earlier IPR merely instituted review, but made no adjudication as to the validity or invalidity of any claims, made no findings of fact, and made no conclusions of law. That IPR was terminated due to settlement prior to the Patent Owner Response even being filed. *See Samsung Elecs. Co. v. Advanced Coding Techs, LLC,* IPR2024-00327, Paper 16 (P.T.A.B. Sept. 12, 2024).

Even if the Prior Findings Memo applied to the Institution Decision being challenged here, that decision provided ample reasoning why Google's Petition should be denied. The Director properly noted that the trial in the co-pending litigation is likely to occur before the Final Written Decision in this proceeding, and that will result in significant duplication of effort, additional expense for the parties, and a risk of inconsistent decisions. Paper 11, at 2. In the previous IPR, such facts were not before the Board in deciding whether to institute.

II. THE INSTITUTION DECISION IS NEITHER ARBITRARY NOR CAPRICIOUS

Google next argues that the Decision's "failure to comply with the Prior Findings Memo" and "findings regarding Office error" are also contradictory to the previous Institution Decision, and therefore arbitrary and capricious. "The agency's decision to deny [an *inter partes* review] petition is a matter committed to the Patent Office's discretion." *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 273 (2016). The applicable statutes do not "compel" the Director to institute an IPR in any circumstance, and therefore Google cannot show that the agency clearly and indisputably violated any statute (including the APA) by declining to institute this IPR. *Mylan Lab'ys. Ltd. v. Janssen Pharmaceutica, N.V.*, 989 F.3d 1375, 1382 (Fed. Cir. 2021).

The prior Institution Decision carries no precedential or legal weight, so it is impossible for any decision, whether consistent or inconsistent with that decision, to be arbitrary and capricious. Google's case law is of no import. *Robert Bosch, LLC v. Iancu*, 778 F. App'x. 871, 874-75 (Fed. Cir. 2019) involved an arbitrary and capricious decision where the same independent claim in two different patents was simultaneously held to be both obvious and non-obvious over the same combination of references. *Id.* In fact, both parties agreed in that case that the decision was arbitrary and capricious. Here, the Director did nothing of the sort. The Director denied institution in this case for completely different reasons than those reached on the technical merits in the previous non-precedential institution decision, and therefore the decision not to institute in this case is neither arbitrary nor capricious.

III. THE DECISION DID NOT OVERLOOK ANY OF GOOGLE'S ARGUMENTS

Google merely argues in this section that the Director "mistakenly overlooked the numerous reasons that Google provided" as to why to institute. Paper 12 at 7. The Director did nothing of the sort. The decision not to institute was grounded in factual analysis of the proceeding, and the Director found that the early trial date and settled expectations of the parties outweighed Google's remaining arguments. The Director explicitly stated that "the determination to exercise discretion to deny institution is based on a holistic assessment of all of the evidence and arguments

presented." Paper 11 at 3. The decision therefore did not overlook or misapprehend any of Google's arguments. Google's statement that the conclusion "cannot be reconciled with . . . Google's argument" is merely wishful thinking that it had a different set of facts, or filed its Petitions earlier. Paper 12 at 9.

IV. THE APA ARGUMENTS LACK MERIT

Google finally presents two arguments that the Administrative Procedures Act was violated in this instance: (1) the recission of the June 2022 Memorandum Regarding Sotera Stipulations occurred without notice and comment rulemaking; and (2) any reliance on "settled expectations" violates the APA. Both arguments fail, because § 314(d) bars challenges to the way in which the Director has exercised his or her discretion in any particular case. *Apple Inc. v. Vidal*, 63 F.4th 1, 13 (Fed. Cir. 2023); *In re Motorola Sols., Inc.,* 2025-134, 2025 WL 3096514, *5 (Fed. Cir. 2025). In addition to this challenge being plainly inappropriate, these arguments also fail on their own merits.

As to the first, the June 2022 Memorandum Regarding Sotera Stipulations was enacted without notice and comment rulemaking. Paper 12, at 10. Google may have enjoyed the benefit of that Memorandum while it was in force without such rulemaking, but it cannot now claim that the recission of a memorandum without notice and comment rulemaking somehow violates its rights. If anything, the Memorandum itself was improper without the proper rulemaking procedures in

place. And Google had no surprise – it was aware of Board precedent, filed a lengthy (if meandering) opposition to Patent Owner's discretionary denial brief, and had an opportunity to be heard on all issues. It merely lost. Recission of the interim guidance did not affect its ability to properly present its case.

As to the second, Google presents no compelling reason why the "settled expectations" doctrine as currently interpreted by the Office is improper or in violation of any statute. Google has no right to institution of the IPR on any ground for any reason, and has ample opportunity to present the same invalidity arguments in the co-pending district court action. Denying institution cannot be inconsistent with either the AIA or APA.

V. CONCLUSION

For the foregoing reasons, Patent Owner respectfully requests Director Review of the Board's institution decision be denied.

Respectfully submitted,

Dated: November 20, 2025 By: */Peter Lambrianakos /*

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CERTIFICATE OF SERVICE

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