

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE
FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE
UNITED STATES PATENT AND TRADEMARK OFFICE

MOTOROLA SOLUTIONS, INC.,
Petitioner,

v.

STELLAR, LLC,
Patent Owner.

IPR2024-01205 (Patent 7,593,034 B2)
IPR2024-01206 (Patent 9,485,471 B2)
IPR2024-01207 (Patent 8,692,882 B2)
IPR2024-01208 (Patent 9,912,914 B2)¹

Before COKE MORGAN STEWART, *Acting Under Secretary of
Commerce for Intellectual Property and Acting Director of the United States
Patent and Trademark Office.*

ORDER

Granting Director Review, Vacating the Decision Granting Institution, and
Denying Institution of *Inter Partes* Review

¹ This order applies to each of the above-listed proceedings.

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Stellar, LLC (“Patent Owner”) filed a request for Director Review of the Decision granting institution (“Decision”) in each of the above-captioned cases, and Motorola Solutions, Inc. (“Petitioner”) filed an authorized response to each request. *See* Paper 15 (“DR Request”); Paper 17.² In each request, Patent Owner argues that the Board erred in its fact-finding as to *Fintiv*³ factors 3 and 4—the investment in the parallel proceeding and the overlap between issues raised in the petition and the parallel proceeding, respectively. DR Request 6–9. Patent Owner further argues that, when properly considered, the investment in the parallel proceeding and the overlap of issues favor exercising discretion to deny institution. *See id.* at 9. Patent Owner requests reversal of the Board’s Decision and the exercise of discretion to deny institution, because the *Fintiv* factors favor denial. *Id.*

The Board’s analysis of factors 3 and 4, and overall weighing of the *Fintiv* factors was erroneous. *See* Decision 11–12. The Board did not give enough weight to the investment in the parallel proceeding and gave too much weight to Petitioner’s *Sotera*⁴ stipulation (*i.e.*, a stipulation that Petitioner will not pursue in district court any ground it raised or reasonably could have raised in the *inter partes* review (IPR)) and its potential to reduce overlap with the issues raised in the parallel proceeding.

² All citations are to the record in IPR2024-01205. Similar papers were filed in IPR2024-01206, IPR2024-01207, and IPR2024-01208.

³ *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5–6 (PTAB Mar. 20, 2020) (precedential).

⁴ *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (precedential as to § II.A).

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As to investment in the parallel proceeding, although the Board considered the time and effort the parties and the district court had invested preparing for trial, the Board found that “Patent Owner’s infringement case alone . . . could present a substantial, if not overwhelming, burden on the district court’s resources” and that “[t]rying invalidity issues adds to that burden.” Decision 11. That analysis could apply in most, if not all, cases and misapprehends the relevant inquiry.

Additionally, by the time Patent Owner filed its Preliminary Response (Paper 8, “POPR”), the parties had served extensive infringement and invalidity contentions, served opening and rebuttal expert reports, filed claim construction briefs, and conducted several depositions. *See* POPR 6–8; Ex. 2003–2005, 2007. The court also had held a claim construction hearing and construed the disputed claim terms. POPR 7; Exs. 2008, 2011. Thus, at the time of the POPR, the district court and the parties had invested substantial time and resources in the parallel proceeding preparing for a March 10, 2025, trial date—a date eleven months before the Board’s projected final written decision date. Decision 10–11. Given the substantial time and effort the parties and the district court had invested in the parallel proceeding, factor 3 strongly favors discretionary denial.

As to the overlap of issues before the Board and in the parallel proceeding, the Board noted Patent Owner’s argument that Petitioner’s invalidity expert report “repeats all of the assertions in th[e] Petition,” and found that Petitioner’s stipulation would potentially reduce the issues for trial in the parallel proceeding. Decision 11–12. But Petitioner’s stipulation does not ensure that these IPR proceedings would be a “true alternative” to

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the district court proceeding. *See* Request 8 (quoting *Sotera*, Paper 12 at 19). Petitioner'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, which Petitioner's stipulation is not likely to moot. *See* Exs. 2004, 2012. Accordingly, although Petitioner's *Sotera* stipulation may mitigate some concern of duplication between the parallel proceeding and this proceeding, the stipulation does not outweigh the substantial investment in the district court proceeding or *Fintiv* factors 1, 2, and 5, which the Board found weighed in favor of denial.⁵ Decision 10–11. Considering the *Fintiv* factors as a whole, the efficiency and integrity of the system are best served by denying review.⁶

In consideration of the foregoing, it is:

ORDERED that Director Review is granted;

FURTHER ORDERED that the Board's Decision granting institution of *inter parties* review (Paper 11) is vacated; and

FURTHER ORDERED that the Petition is *denied*, and no trial is instituted.

⁵ On February 24, 2025, the district court entered a temporary stay premised on the Board's decision instituting review in these proceedings. *See* Ex. 3101. Because the petitions in these IPR proceedings are now denied, the claims challenged in the petitions are no longer subject to IPR proceedings.

⁶ This Order relates to the four above-captioned IPR proceedings. The four related IPR proceedings will be addressed if and when Director Review requests are filed in those proceedings.

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