

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ASUSTEK COMPUTER INC. and
ASUS COMPUTER INTERNATIONAL,

Petitioner,

v.

NOKIA TECHNOLOGIES OY,

Patent Owner.

Case No. IPR2025-01153
U.S. Patent No. 10,536,714

PATENT OWNER'S RESPONSE BRIEF ON DIRECTOR REVIEW

TABLE OF CONTENTS

	Page
I. INTRODUCTION	1
II. ARGUMENT	2
A. ASUS Violated Its <i>Sotera</i> Stipulation.....	2
B. The Appropriate Remedy Is Termination of This IPR	9
1. Existing Precedent Supports Termination of this Proceeding.....	10
2. Termination is Fair and Will not Unduly Prejudice Any Party	13
III. CONCLUSION.....	14

I. INTRODUCTION

Patent Owner Nokia Technologies Oy respectfully submits that ASUS violated its August 1, 2025, *Sotera* stipulation (Ex. 1054) and that the appropriate remedy is termination of this IPR.

First, there is a violation. To get its IPR instituted, ASUS represented that it sought “to avoid multiple proceedings in different forums addressing the validity of the instituted claims based on the same grounds or prior art” and would not “pursue in the co-pending litigation” the grounds raised in its Petition or other grounds that could have been reasonably raised. However, ASUS gave an ITC opening statement arguing in support of the Rusert/Karczewicz ’721 combination that is at the core of its Petition and later submitted a joint ITC post-hearing brief presenting the same combination. That ITC post-hearing brief is pending before the ITC. A decision on that brief, including the invalidity ground at issue, is expected August 14, 2026.

Second, termination is appropriate. The Director has ordered termination in similar circumstances. Termination here would align this proceeding's outcome with the Director's discretionary-denial framework that avoids “significant duplication of effort, additional expense for the parties, and a risk of inconsistent decisions.” *See Sinclair Pharma v. Hydrafacial*, IPR2025-00145, Paper 41 at 2 (Squires Feb. 12, 2026).

II. ARGUMENT

A. ASUS Violated Its *Sotera* Stipulation

Despite stipulating otherwise, the primary references included in the grounds cited in ASUS's petition were presented to the ITC and will be considered in ITC Investigation No. 337-TA-1448. In its stipulation, ASUS represented to the Board and Director that, "if the PTAB institutes review in IPR2025-01153, ASUS will not pursue in the co-pending litigation the specific grounds asserted in inter partes review in IPR2025-01153, or any other ground that could have been reasonably raised in IPR2025-01153 (i.e., any ground that could have been raised under §§ 102 or 103 on the basis of prior art patents or printed publications)." Ex. 1054. ASUS further stipulated that it "will not pursue in the co-pending litigation combinations of the prior art asserted in IPR2025-01153 with unpublished system prior art (or any other type of prior art)," and explained that, "[i]n so stipulating, ASUS seeks to avoid multiple proceedings in different forums addressing the validity of the instituted claims based on the same grounds or prior art." *Id.* ASUS expressly defined "co-pending litigation" to include the parallel ITC Investigation No. 337-TA-1448. *Id.*

Thus, the question is whether ASUS pursued in the co-pending ITC matter the specific Rusert/Karczewicz '721 combination asserted in its Petition—or any ground that reasonably could have been raised in the IPR—notwithstanding ASUS's

promise to keep those grounds out of the ITC proceeding. ASUS did. In so doing, ASUS violated its *Sotera* stipulation in three ways.

First, ASUS pursued invalidity grounds in the ITC despite its earlier representation it would not do so. In an opening statement to the ITC, ASUS's counsel stated the following:

“So this defense will be entirely on behalf of Acer, just to be clear. The evidence will show that H.265 standard follows largely the same motion vector selection process as the prior art, especially a reference to Rusert. And any minor differences in Rusert, such as the number of comparisons made, the order in which they are performed, are immaterial to the claims of the patent. So this Rusert reference renders the claim invalid, and Dr. Hemami will explain that during her testimony.”¹

The “Rusert” reference referred to by ASUS's counsel during the ITC opening statement is the same Rusert that forms the basis of the Rusert/Karczewicz '721 combination asserted in ASUS's Petition. The expert testimony that ASUS's counsel previewed in the opening statement was, in fact, presented at the evidentiary hearing. This testimony argued in support of the same Rusert/Karczewicz '721 combination that ASUS had advanced in its pre-institution ITC invalidity contentions and expert

¹ If requested, Nokia can provide the cited public transcript from ASUS's March 4, 2026, opening statement to the ITC.

report. ASUS and Acer have coordinated for discovery, experts, and trial throughout the ITC investigation, and their efforts to develop the theory for adjudication by the ITC have no daylight between them. As a result, the Rusert combination theory central to ASUS's IPR petition is now being considered by the ALJ in Inv. No. - 1448, contrary to ASUS's *Sotera* promise.

Second, ASUS endorsed submitting the issue to the ALJ to decide in the Final Initial Determination of the Investigation, as demonstrated by its counsel's signature on the post-hearing brief advancing the overlapping ground. Ex. 3103. The invalidity arguments at issue are made on behalf of both ASUS and co-respondent Acer. *Id.* This is what ASUS stipulated it would not do. While ASUS may claim that it did not intend to join the parts of the post-hearing brief challenging the validity of the '714 Patent, that position is unavailing. ASUS has not filed a corrected brief with the ITC, even after Nokia's Director Review Request dated May 8, 2026, that raised the issue of whether ASUS breached its *Sotera* stipulation. Indeed, even if co-respondent Acer is terminated from the ITC investigation, the ITC may nonetheless address the invalidity challenge against the Rusert/Karczewicz '721 ground that is the subject of ASUS's petition. Thus, ASUS is directly benefitting from and advancing overlapping parallel invalidity challenges in two different forums.

Third, ASUS promised that the co-pending litigation would not address the instituted claims' validity "based on the same grounds or prior art," Ex. 1054, and

told the Director that “the ITC will not resolve all or substantially all of the patentability disputes between the parties,” Paper 11 at 15–17. Yet that is precisely what is now occurring. Thus, even putting aside the fact ASUS’s counsel presented the Rusert combination to the ITC and signed a brief advancing the Rusert/Karczewicz ’721 ground, a formal allocation of arguments among ASUS and its co-respondent Acer is not necessary to conclude that ASUS breached the stipulation upon which the Director’s institution decision relied.

The chronology confirms ASUS’s violation and its materiality:

July 1, 2025. ASUS, as a respondent in Inv. No. 337-TA-1448, served Invalidity Contentions advancing the same prior art combination raised in the Petition—“Rusert Alone or in Combination with Karczewicz and/or Lin.” Resp’ts’ Invalidity Contentions at 59–60, 71–76, Ex. D-4, *Certain Video-Capable Laptop, Desktop Computers, Handheld Computers, Tablets, Televisions, Projectors, and Components and Modules Thereof*, Inv. No. 337-TA-1448 (U.S. Int’l Trade Comm’n July 1, 2025). Exs. 2005–2006.

August 1, 2025. ASUS filed the *Sotera* stipulation, representing to the Board and Director that it “seeks to avoid multiple proceedings in different forums addressing the validity of the instituted claims based on the same grounds or prior art” and would not “pursue in the co-pending litigation” the grounds raised in its Petition or other grounds that could have been reasonably raised. Ex. 1054.

October 7, 2025. ASUS's institution briefing leaned on that stipulation. ASUS told the Director that "ASUS's stipulation confirms that the ITC will not resolve all or substantially all of the patentability disputes between the parties." Paper 11 at 15–17. The Director's December 11, 2025, institution decision relied on that representation in concluding "no other non-discretionary considerations warrant denial of institution." Paper 14.

October 10, 2025. In the ITC, the respondents served an expert report from Dr. Sheila Hemami advancing invalidity theories based on the same Rusert combination as ASUS's Petition ("Appendix 714 – Rusert + Karczewicz 721").

December 11, 2025. The Director institutes IPR, relying on ASUS's *Sotera* stipulation and representation that "the ITC will not resolve all or substantially all of the patentability disputes between the parties." Paper 14.

March 4, 2026. During opening statements to the -1448 ITC hearing, counsel for ASUS presented the Rusert invalidity theory advanced by the Petition. Counsel for ASUS acknowledged the ongoing IPR proceeding while announcing "this defense will be entirely on behalf of Acer."

March 4-6 and March 9-12, 2026. At the -1448 evidentiary hearing, counsel for co-respondent Acer elicited testimony from Acer and ASUS's technical expert on the Rusert/Karczewicz '721 combination that underlies the Petition.

April 16, 2026. ASUS jointly filed, with Acer, a public post-hearing brief in the -1448 Investigation captioned “The Asserted Claims of the ’714 Patent Are Invalid Over Rusert in Combination With Karczewicz 721.” This joint brief advances the same invalidity theory argued in the IPR petition. Paper 27 at 2; *see also* Ex. 3103 at 31–52. This theory is also the same that ASUS had earlier submitted to the ITC nine months before in the respondents’ initial invalidity contentions. *See* Resp’ts’ Inval. Cont. (Ex. 2005) at 71–76; Resp’ts’ Exhibit D-4 (Ex. 2006).

At no point did ASUS update its Mandatory Notices under 37 C.F.R. § 42.8(a)(3) and (b)(2) to inform the Board that the parallel adjudication the stipulation was supposed to prevent was, in fact, occurring. Moreover, to this day, ASUS has not corrected its ITC post-hearing brief, and an ITC decision regarding the Rusert/Karczewicz ’721 combination is expected on August 14, 2026.

This sequence of events establishes a violation. The formal allocation of arguments among co-respondents does not change the analysis. To the extent ASUS hinges its response on the notion that Acer is advancing the Rusert/Karczewicz ’721 combination (notwithstanding ASUS and Acer’s post-hearing brief pending before the ITC), the Director has already considered and rejected that distinction as a form-over-substance misreading of *Sotera*. The question under *Sotera* is whether the same invalidity theory is being adjudicated in the parallel forum, not how co-respondents have allocated arguments among themselves.

For example, in *Sinclair Pharma v. Hydrafacial*, the Director vacated an instituted IPR after the ITC adjudicated the same prior-art combinations on which the petition relied, even though a different respondent presented those grounds. IPR2025-00145, Papers 40–41 (Squires Feb. 12, 2026). And in *Samsung Electronics Co. v. Netlist*, the Director held that a petitioner-only stipulation did not cure duplication where co-respondents had adopted the petition's invalidity grounds in a parallel ITC proceeding. IPR2026-00018, Paper 20 (Squires Apr. 28, 2026).

The case for termination is stronger here than in those decisions for three reasons. First, this is not merely a situation where a petitioner challenges a patent before the Board while a co-party challenges a patent on the same grounds in a different forum. Here, ASUS itself signed a joint post-hearing brief presenting the same theory as its Petition. Second, ASUS was aware of the overlap in proceedings from before its *Sotera* stipulation to the present. The Rusert/Karczewicz '721 combination was part of the ITC matter (through invalidity contentions) a month before ASUS filed its *Sotera* stipulation representing that combination would no longer be considered by the ITC. *See* Ex. 1054; *cf. Advanced Micro Devices v. XtreamEdge*, Paper 29 at 5 (Squires May 12, 2026) ("Petitioner expressly incorporated the *same* art and *same* arguments from its Petitions into its invalidity contentions *after* these IPRs were instituted. ... Such conduct undermines the purpose of the Stipulation, which is to 'mitigate the concern of duplicative efforts

between the district court and the Board,' ... and jeopardizes the purpose of IPRs serving as an *alternative* to district court.") (emphasis original). The same Rusert/Karczewicz '721 combination was the subject of expert reports. And ASUS knew that Acer's counsel would question witnesses regarding the Rusert/Karczewicz '721 combination during the ITC evidentiary hearing—apparently aware of the impending conflict. Third, despite this timeline, ASUS was silent with respect to its Mandatory Notice obligation to the Board.

Ultimately, this is the “two bites at the apple” outcome the discretionary-denial framework—and *Sotera* itself—were designed to prevent. The Mandatory Notice obligation under § 42.8 was triggered at least by invalidity contentions, expert reports, and the ITC evidentiary hearing. ASUS should have informed the PTAB that the same ground presented in the Petition was being presented by co-respondent Acer in the ITC evidentiary hearing. Once ASUS's counsel signed the April 16 joint post-hearing brief, the mandatory notice obligation was unmistakable: The brief was ASUS's own filing, signed by ASUS's counsel, in a parallel proceeding involving the same patent.

B. The Appropriate Remedy Is Termination of This IPR

The remedy should address the violation and track Director priorities to protect the integrity and efficiency of the system from duplicated effort and risk of inconsistent decisions by stopping parties from pursuing parallel litigation. Here, the

Director can safeguard Office and party resources and deter future litigants who may seek undue advantage by similar maneuvering in wasteful duplicative proceedings. Termination is not unduly prejudicial to ASUS. The same Rusert/Karczewicz '721 combination will be adjudicated by the ITC after a full proceeding, involving both live testimony by ASUS's chosen technical expert and extensive briefing by ASUS's chosen counsel.

1. Existing Precedent Supports Termination of this Proceeding

The Director should vacate institution and terminate this proceeding. The discretionary-denial framework asks whether the parallel proceeding will “consider and adjudicate the same or substantially similar issues” raised in the Petition; it does not turn on which respondent's name appears on the brief—though here, Petitioner's name does appear on the post-hearing brief. In *Sinclair Pharma v. Hydrafacial*, the Director vacated an instituted IPR after the ITC determined a challenged patent not invalid based on the same prior art and combinations advanced in the IPR, even though a different respondent had presented those grounds and the petitioner argued it should not be bound by a third party's invalidity case. IPR2025-00145, Papers 40–41, 44, 46 (Squires April 20, 2026) (Director terminating IPR and rejecting Petitioner argument that the ITC respondents failed to adequately litigate validity). What matters is the substance of the duplication, not the identity of the advocate.

The Director's recent decision in *Samsung Electronics Co. v. Netlist* confirms that principle. There, the Director denied institution where the ITC would likely reach its determination before the Board's final written decision, creating "significant duplication of effort, additional expense for the parties, and a risk of inconsistent decisions." IPR2026-00018, Paper 20 at 2 (Squires Apr. 28, 2026). The Director further held that the petitioner's stipulation did not eliminate those concerns because it did not bind co-respondents that had adopted the petition's invalidity grounds in the ITC, and because attorney argument was insufficient to bind those entities absent a written statement or stipulation. *Id.*

That reasoning applies with even greater force here. Acer has not provided a *Sotera* stipulation, Acer argued at the ITC evidentiary hearing that the Ruser/Karczewicz '721 combination invalidates claims of the '714 Patent, and both Acer and ASUS jointly submitted the April 16, 2026, post-hearing brief that places the same Ruser/Karczewicz '721 combination before the Commission. As in *Samsung Electronics Co. v. Netlist*, the Director should look to the practical reality of overlapping adjudication, not any formal allocation of arguments among coordinated respondents (even putting aside the fact ASUS's counsel signed the ITC post-hearing brief).

The overlap between the proceedings is direct and substantial. Petition Ground 1 challenges every independent claim, and most dependent claims, of the

'714 Patent as obvious over Rusert in view of Karczewicz '721, relying on Rusert's PMV_CANDS list and the theory that Rusert's scan order results in the steps of the '714 Patent. The April 16, 2026, joint post-hearing brief advances that same theory, identifying the same Rusert and Karczewicz '721 references and applying the same theory limitation by limitation. Ex. 3103 at 31–52. At most, there are only minor, insubstantial differences: The Lin reference is not asserted in the ITC, but Ground 2 of the Petition adds Lin only for dependent claim 4. On the dispositive issues, the IPR and the ITC will adjudicate the same arguments.

The timing and the Director's Memoranda likewise favor vacatur. The March 24, 2025, Memorandum confirms that the Board "is more likely to deny institution where the ITC's projected final determination date is earlier than the Board's deadline to issue a final written decision"—exactly the situation here, where the ITC's Final Initial Determination will issue on August 14, 2026, nearly four months before the December 11, 2026, deadline for a Final Written Decision. The September 16, 2025, Memorandum further directs the Board to weigh prior tribunal findings, including the Initial Determination in Investigation No. 337-TA-1380 concluding that the challenger failed to prove any claim of the '714 Patent invalid. The parallel proceeding is far advanced, the issues materially overlap, and the schedule favors the ITC's earlier adjudication.

Director precedent points the same way. In *Motorola Solutions v. Stellar*, the Director vacated institution after concluding that the Board “gave too much weight to Petitioner’s *Sotera* stipulation” and not enough weight to the parallel proceeding. IPR2024-01205, Paper 19 at 2 (Stewart Mar. 28, 2025). “Maintaining this IPR when the ITC has [adjudicated] the same prior art and combinations asserted in this IPR would result in significant duplication of effort, additional expense for the parties, and a risk of inconsistent decisions.” See IPR2025-00145, Paper 41 at 2 (Squires Feb. 12, 2026). Such de-institution decisions lie within the Director’s discretion under § 314(d). *In re Motorola Sols., Inc.*, 159 F.4th 30, 38 (Fed. Cir. 2025).

2. Termination is Fair and Will not Unduly Prejudice Any Party

Termination is proportionate because institution rested in material part on an assurance that has not been honored. To be clear, ASUS will have its day in court. The ITC will issue its Final Initial Determination on August 14, 2026—nearly four months before the Board’s December 11, 2026, deadline for a Final Written Decision. The Commission will adjudicate the same Rusert/Karczewicz ’721 combination presented in the Petition, on a record developed over more than a year of expert reports, hearing testimony, and post-hearing briefing. On this record, the IPR is no longer a “true alternative” to the parallel ITC proceeding.

III. CONCLUSION

The Director has denied or terminated IPRs to eliminate the risk of parallel adjudication. Here, that risk was not merely realized, it was realized despite ASUS promising “a sweeping *Sotera*-plus stipulation” to avoid it. Paper 11 at 3. ASUS obtained institution on the strength of that representation. ASUS's counsel have now made an opening statement and signed onto a joint ITC brief presenting the very combination the stipulation was meant to keep out of the parallel forum—without ever apprising the Board. Termination is the remedy that aligns this proceeding's outcome with the principles the Director has consistently applied.

For the foregoing reasons, Patent Owner respectfully requests that the Director take the following steps, in addition to ordering any other relief the Director deems appropriate:

- 1) Determine that Petitioner ASUS violated its August 1, 2025, *Sotera* stipulation (Ex. 1054); and
- 2) Vacate the December 11, 2025, institution decision (Paper 14) and terminate this proceeding.

Patent Owner's Response Brief on Director Review
Case No. IPR2025-01153

Dated: June 2, 2026

Respectfully submitted,

/s/ Scott W. Hejny

Scott W. Hejny

Reg. No. 45,882

shejny@mckoolsmith.com

Eric S. Hansen

Reg. No. 63,095

ehansen@mckoolsmith.com

Joseph W. Micheli

Reg. No. 81,245

jmicheli@mckoolsmith.com

McKool Smith, P.C.

300 Crescent Court, Suite 1200

Dallas, TX 75201

Telephone: 214.978.4000

Facsimile: 214.978.4044

R. Mitch Verboncoeur

Admitted *pro hac vice*

mverboncoeur@mckoolsmith.com

McKool Smith, P.C.

303 Colorado Street, Suite 2100

Austin, TX 78701

Telephone: 512.692.8757

Facsimile: 512.692.8744

*Counsel for Patent Owner,
Nokia Technologies Oy*

CERTIFICATION OF SERVICE

The undersigned hereby certifies that the foregoing **PATENT OWNER'S RESPONSE BRIEF ON DIRECTOR REVIEW** has been served on Petitioner via email on the following counsel of record for Petitioner:

Jeremy J. Monaldo
IPR54587-0016IP1@fr.com

Kim Leung
Joseph V. Colaianni
Linhong Zhang
Jack R. Wilson IV

Dated: June 2, 2026

By: /s/ Scott W. Hejny
Scott W. Hejny
Reg. No. 45,882