

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SNAP INC. and HISENSE USA CORPORATION,

Petitioners

v.

NOKIA TECHNOLOGIES OY,

Patent Owner.

IPR2025-01263

U.S. Patent No. 10,536,714

**PATENT OWNER'S REQUEST FOR
DISCRETIONARY DENIAL**

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2001	Order No. 23-Amended Adopted Procedural Schedule in Investigation No. 337-TA-1448, dated September 30, 2025	
2002	Investigation Initiation Letter to The Honorable Lisa R. Barton in Investigation No. 337-TA-1448, dated April 11, 2025	
2003	Respondents Initial Invalidity Contentions in Investigation No. 337-TA-1448, dated July 1, 2025	
2004	Exhibit D-4 Claim Chart Regarding U. S. Patent No. 10,536,714, in Investigation No. 337-TA-1448	
2005	Exhibit D-4 Claim Chart Regarding U. S. Patent No. 10,536,714, in Investigation No. 337-TA-1380	
2006	Public Version of Initial Determination on Violation of Section 337 and Recommended Determination on Remedy and Bond in Investigation No. 337-TA-1380, dated December 20, 2024	
2007	Original Complaint in <i>Nokia Technologies Oy v. Hisense Co. Ltd. et al.</i> , Case No. 1:25-cv-01871-TWT (N.D. Cal.), dated April 7, 2025	

Pursuant to the Director’s March 26, 2025 Memorandum concerning “Interim Processes for PTAB Workload Management” (“March 26, 2025 Memorandum”), Patent Owner Nokia Technologies Oy (“Nokia”) respectfully requests that the Director exercise her discretion and deny institution of Petitioners’ Snap, Inc. and Hisense USA Corporation’s (collectively, “Petitioners”) Petition for *inter partes* review of U.S. Patent No. 10,536,714 (“the ’714 Patent”).

This petition presents a clear case in which both the *Fintiv* factors and the Director’s March 26, 2025, Memorandum strongly support discretionary denial of institution. The validity of the ’714 Patent, which issued over 5 years ago, is being challenged in a second, parallel ITC proceeding that whose trial will take place ***over a year before any Final Written Decision (“FWD”) that would issue from this case***. Further, the Final Initial Determination and Final Determination from the ITC will both issue months before the scheduled FWD.

Moreover, while Petitioners identify another ITC proceeding (*Certain Video Capable Electronic Devices, Including Computers, Streaming Devices, Televisions, and Components and Modules Thereof*, Inv. No. 337-TA-1380 (ITC)) as a related proceeding, they fail to mention that ***the Challenged Claims of the ’714 Patent were held valid by the ITC in that dispute***. The reasons for this omission are clear—the Director has found that prior adjudications of validity weigh in favor of discretionary denial of institution.

For these reasons and the reasons identified below, Nokia respectfully requests that the Director exercise discretion under § 314(a) and deny institution.

I. THE DIRECTOR SHOULD EXERCISE DISCRETION UNDER SECTION 314 AND DENY INSTITUTION

35 U.S.C. § 314(a) provides the Director with discretion to deny institution of any *inter partes* review proceeding because of the state of parallel proceedings regarding the same issues and patents. 35 U.S.C. § 314(a); *Harmonic Inc. v. Avid Tech.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“[T]he PTO is permitted, but never compelled, to institute an IPR proceeding.”). The Director has applied that discretion where efficiency considerations stemming from parallel proceedings on the same patent warrant denial of institution. *See NHK Spring Co. v. Intri-Plex, Inc.*, IPR2018-00752, Paper 8, 11 (PTAB Sept. 12, 2018) (precedential, designated May 7, 2019) (“*NHK Spring*”).

A. The *Fintiv* Factors Weigh Heavily In Favor Of Discretionary Denial

The Director should deny institution under 35 U.S.C. § 314 because all six *Fintiv* factors favor discretionary denial. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, 6 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv I*”); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15, 7-8 (PTAB May 13, 2020) (order denying institution) (informative, designated July 13, 2020) (“*Fintiv II*”). A parallel ITC investigation (*Certain Video-Capable Laptop, Desktop Computers, Handheld*

Computers, Tablets, Televisions, Projectors, and Components and Modules Thereof; Inv. No. 337-TA-1448 (Violation), (“-1448 ITC Investigation”)) involving the same claims and same prior art will conclude months in advance of any FWD that would issue from this IPR. Moreover, Petitioner Hisense is a party in the parallel ITC investigation, and efficiency considerations stemming from the parallel proceeding on the same patent warrant denial of institution. Furthermore, the patent claims were already held to be valid in an earlier ITC proceeding. *NHK Spring*, Paper 8 at 11.

Six factors stemming from the decisions in *Fintiv I* and *Fintiv II* are considered by the Director when determining whether efficiency considerations mandate discretionary denial in view of a parallel proceeding. These factors include: (1) whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted; (2) proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision; (3) investment in the parallel proceeding by the court and the parties; (4) overlap between issues raised in the petition and the parallel proceeding; (5) whether the petitioner and the defendant in the parallel proceeding are the same party; and (6) other circumstances that impact the Board’s exercise of discretion. *Fintiv I* at 5-6. When deciding whether to exercise discretion in denying institution of *inter partes* review, the Board typically “takes a holistic view of whether efficiency and integrity of the

system are best served by denying or instituting review.” *Fintiv II* at 7-8. A holistic view of the current proceedings warrants denial.

B. *Fintiv* Factor 1 – A Stay of the ITC Case is Unlikely

The first *Fintiv* factor concerns “whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted.” *Fintiv I*, 5-6. This factor weighs in favor of denial of institution. The parallel -1448 ITC Investigation is proceeding to trial in January 2026, while a FWD in this case would issue in late-January 2027. By the time an institution decision issues, trial in the ITC Investigation will be complete. EX-2001, v (First Amended Adopted Procedural Schedule in the -1148 Investigation) (identifying January 7-13, 2026, as the dates of the ITC Evidentiary Hearing, while the projected date of an institution decision in this proceeding is January 27, 2026). Petitioners have not sought a stay of the ITC proceeding. Such a stay is extremely unlikely given how advanced the case will be before an institution decision issues

The March 24, 2025, Memorandum issued by Chief Judge Boalick, entitled “Guidance on USPTO’s rescission of “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation” (“March 24, 2025, Memo”) explicitly states that “the Board will apply the *Fintiv* factors when there is a parallel proceeding with the International Trade Commission (ITC).” March 24, 2025, Memo, 2. *Fintiv* expressly addresses ITC Investigations. *Hewlett*

Packard Enter. Co. v. Q3 Networking LLC, IPR2021-00754, Paper 9, 8-9 (PTAB Oct. 8, 2021) (citing *Fintiv I*, 8) (“[E]ven though the Office and the district court would not be bound by the ITC’s decision, an earlier ITC trial date may favor exercising authority to deny institution under *NHK* if the ITC is going to decide the same or substantially similar issues to those presented in the petition.”)). Here the ITC will be considering—again, as it has already done in a prior ITC Investigation—the validity of the ’714 Patent.

C. *Fintiv* Factor 2 – Trial in the ITC Will Take Place Over A Year Before The Deadline For A Final Written Decision In This Proceeding

The second *Fintiv* factor relates to the “proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision.” Factor two weighs strongly in favor of discretionary denial. The Notice of Filing Date accorded was issued on July 29, 2025. Paper 4. Accordingly, a FWD could issue as late as January 27, 2027. 35 U.S.C. § 314(b); 35 U.S.C. § 316(a)(11). In contrast, a trial is scheduled in the -1448 ITC Investigation for January 7-13, 2026, over a year before any FWD in this IPR. *EX-2001, v.* Moreover, the target date for the Initial Determination at the ITC is June 3, 2026, and the target date for the Final Determination is October 3, 2026. *Id.* Accordingly, the ITC proceeding will be completed long before any FWD would issue in this case. For these reasons, this factor weighs heavily in favor of denial of institution. *Caihong Display Devices Co.*

LTD. v. Corning, Inc., IPR2025-00439, Paper 18 (PTAB July 10, 2025) (denying institution where the target date was before the projected final written decision date and the challenged patent was in force for more than 14 years); *see also RingConn LLC v. Ouraring, Inc.*, IPR2025-00412, Paper 11 (PTAB June 25, 2025).

Further, instituting trial in this IPR would frustrate one of the primary objectives of the AIA, which is “to provide an effective and efficient alternative” to parallel litigation. *NHK Spring*, 19-20 (quoting *General Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19, 15-19 (PTAB Sept. 6, 2017) (precedential, designated Oct. 18, 2017)). If IPR were instituted in this proceeding, any potential FWD would issue well after trial is completed, clearly showing that institution would not result in the AIA’s true objective of an “alternative” to parallel litigation. Instead, institution would result in relitigating validity issues that had already been decided in the parallel ITC proceeding. Moreover, as discussed in detail below, the ITC has already adjudicated the validity of the ’714 Patent, finding the Challenged Claims patentable in an earlier ITC proceeding. *See* Section II.A, *infra*. A third proceeding addressing the validity of the ’714 Patent is nothing more than a waste of Board and party resources and a serial attack on the ’714 Patent.

D. *Fintiv* Factor 3 – The Parties Will Have Invested Substantially In The ITC Case Before An Institution Decision

The third *Fintiv* factor addresses “investment in the parallel proceeding by the court and the parties.” Factor three also strongly favors discretionary denial because ***the ITC trial will take place over two weeks before the expected institution date in the IPR***. Significant amounts of work have already been invested in the parallel -1448 ITC Investigation. The parties have already identified expert witnesses, identified witnesses to testify at the evidentiary hearing, exchanged proposed terms for construction, filed claim construction briefs, and exchanged opening expert reports. EX-2001. By the time an institution decision is scheduled to issue in this IPR proceeding (January 27, 2026), the trial in the -1448 ITC Investigation will be complete. *Id.*

Thus, by the expected time of the institution decision in this IPR, the parties will have invested substantial time and resources in the -1448 ITC Investigation addressing service of contention interrogatories (September 19, 2025); the close of fact discovery (October 7, 2025); the exchange of initial expert reports (October 10, 2025); the *Markman* hearing (October 17, 2025); the exchange of rebuttal expert reports on infringement and validity (October 27, 2025); the filing of summary determination motions (November 7, 2025); the close of expert discovery (November 18, 2025); the exchange of trial exhibit lists (November 21, 2025); the filing of motions *in limine* (December 8, 2025); and trial on the merits (January 7-15, 2026). EX-2001, iii-v.

Under these circumstances, it would be an extremely inefficient use of the parties' and the Board's time and resources to relitigate issues that will be tried (January 7, 2026) and finally decided by the ITC Final Initial Determination (June 3, 2026) and Final Determination (October 3, 2026) months before any FWD would issue in this proceeding. *Id.*

E. *Fintiv* Factor 4 – There Is Substantial Overlap Between This IPR Proceeding And The Parallel ITC Case

Fintiv factor four relates to “overlap between issues raised in the petition and the parallel proceeding.” Factor four also weighs in favor of discretionary denial of institution. Specifically, the Board in *Fintiv* held that “if the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial.” *Fintiv*, 12. Nokia's ITC complaint asserts claims 1-5, 7-12, 14-19, 21-26, and 28-30 of the '714 Patent against Hisense in the parallel ITC case. EX-2002, 63 (Complaint in the -1448 ITC Investigation).¹ The Petition challenges claims 1-3, 5-10, 12-17, 19-24, and 26-30 (Ground 1) and claims 1-30 (Ground 2) of the '714 Patent, so there is complete overlap between the complaint in the -1448 ITC Investigation and this Petition. Petition at 9. Validity of the Challenged Claims in the Petition will be tried and determined by the ITC months before any FWD in this IPR. EX-2001, v.

¹ Nokia presently asserts claims 1, 2, 9, 15, 16, and 23.

Hisense asserted identical grounds for invalidity in the ITC case. EX-2003, 54-61 (Respondents' Initial Invalidity Contentions); EX-2004 (Respondents' Exhibit D-4). Hisense asserted two Grounds for invalidity in the Petition: (1) Rusert and Karczewicz and (2) Rusert, Karczewicz, and Lin. Petition, 8. Similarly, Hisense argued that the claims asserted in the ITC case are invalid over "Rusert alone or in combination with Karczewicz and/or Lin." EX-2004. Thus, as with the Challenged Claims, there is also a complete overlap of the grounds, argument, and evidence in the parallel proceedings because Petitioner can present the same evidence to both the Board and to the ITC. These facts weigh heavily in favor of denial of institution since the resolution of the ITC case will precede any FWD by many months.

Petitioner Hisense filed a *Sotera* stipulation with the Board on September 10, 2025, suggesting that it "will not pursue any invalidity defense that the patent claims subject to the instituted IPR are invalid (1) based on the same grounds presented in the IPR petition or (2) based on any other §§ 102 or 103 ground that includes the Rusert, Karczewicz '721, or Lin prior art references used in the IPR petition.." EX-1020. This late-filed stipulation is ineffective and cannot overcome the other *Fintiv* factors that weigh in favor of denial of institution.

First, the ITC has held that prior art stipulations are ineffective because ITC Staff, who are not parties to the IPR proceeding, can assert *any* prior art reference in an ITC proceeding. *In the Matter of Certain Magnetic Tape Cartridges and*

Components Thereof, Inv. No. 337-TA-1058 (Violation), USITC Pub. 657436 at 105-106 (Oct. 2, 2018) (Initial) (noting that IPR estoppel does not apply to ITC Staff or “prevent Staff from raising the references in [an ITC] investigation”). Thus, at the outset, Petitioner’s stipulation is ineffective at definitively removing the potential for overlap between this IPR at the -1448 ITC Investigation.

Second, Petitioner’s *Sotera* stipulation likewise fails to effectively eliminate the overlap of the prior art being asserted in the petition and the -1448 ITC Investigation. This was made clear in the PTAB’s March 24 Memorandum, which noted that “a timely-flied *Sotera* stipulation ... will not be dispositive by itself” and will instead be considered as part of the Board’s “holistic analysis under *Fintiv*.” March 24, 2025, Memo, 2-3. As the Director held in *Motorola Solutions, Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19 (PTAB March 28, 2025), a *Sotera* stipulation does not ensure that the “IPR proceedings would be a ‘true alternative’ to the district court proceeding.” *Id.*, 3-4. This is especially true where Petitioners’ invalidity arguments rely on “unpublished system art, which [a *Sotera* stipulation] is not likely to moot.” *Id.*, 4. Petitioners have not agreed to forego the assertion of system art in its entirety, and the proffered *Sotera* stipulation thus fails for the same reason as the stipulation offered in *Motorola Solutions*. Further, a *Sotera* stipulation cannot outweigh the remaining *Fintiv* factors nor the fact that the Challenged Claims were adjudicated to be valid by the ITC in a prior proceeding, all of which weigh

heavily in favor of denial of institution. As the Board held in *Samsung Elecs. Co. Ltd et al. v. Mullen Indus. LLC*, “[u]nder *Fintiv*’s holistic assessment, the merits of the Petition and Petitioner’s *Sotera* stipulation do not outweigh *Fintiv* factors 2 and 3.” IPR2024-01472, Paper 19, 3 (PTAB July 17, 2025). The same is true here, where *Fintiv* factors 2 and 3 weigh heavily in favor of denial of institution.

Finally, a *Sotera* stipulation is ineffective in view of the Federal Circuit’s recent decision in *Ingenico Inc. v. IOENGINE, LLC*, 2025 WL 1318188 (Fed. Cir. 2025). *Ingenico* effectively eliminated, in large part, IPR estoppel by holding that “IPR estoppel does not preclude a petitioner from asserting the same prior art raised in an IPR in district court.” *Id.*, *7. Specifically, in view of the holding in *Ingenico*, a party can assert the same prior art raised in IPR grounds in parallel litigation. For example, *Ingenico* held that “IPR estoppel does not preclude a petitioner from asserting that a claimed invention was known or used by others, on sale, or in public use in district court” based on the same prior art used in the IPR. *Id.*, *7. Thus, according to *Ingenico*, as long as ***the same prior art*** is presented in the parallel proceeding ***under a different basis of invalidity under 35 U.S.C.*** (e.g., “known or used by others” rather than “a printed publication”), a party submitting a *Sotera* stipulation is not estopped from using that same art in the parallel proceeding.

This is true in the -1448 Investigation because, as seen in Petitioner’s invalidity contentions, the same prior art is asserted “under at least 35 U.S.C. §

102(a),” which encompasses multiple “grounds” for invalidity under *Ingenico* and could eliminate any IPR-based estoppel in the ITC case. EX-2004, 1. Further, Petitioner Hisense’s *Sotera* stipulation *explicitly states* that “[t]his stipulation and agreement is not intended and *should not be construed to limit Hisense’s ability to assert invalidity of any claims of the ’714 patent on any other ground*,” (EX-1020), which highlights the insufficiency of a *Sotera* stipulation in view of *Ingenico*. For these reasons, because a *Sotera* stipulation would have no meaningful effect on the invalidity proceedings in the parallel ITC case, Petitioner’s stipulation cannot overcome the other *Fintiv* factors that strongly weigh in favor of denial of institution.

F. *Fintiv* Factor 5 – Hisense Is A Defendant In The ITC Proceeding

The fifth factor addresses “whether the petitioner and the defendant in the parallel proceeding are the same party.” Factor five weighs heavily in favor of discretionary denial. Petitioner Hisense is a party in the -1448 ITC Investigation. EX-2002, 1. “Because the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial.” *Fintiv II*, 15.

G. *Fintiv* Factor 6 – Other Considerations Weigh Heavily In Favor of Discretionary Denial

The final *Fintiv* factor concerns other circumstances that impact the Board’s exercise of discretion, including the merits—weighs strongly in favor of discretionary denial. The same Rusert grounds were considered in two prior IPRs, IPR2024-00604 and IPR2024-00605 (the “Prior IPRs”). In addition to the Rusert

grounds, the Prior IPRs also included grounds based on the JCT-VC submission JCTVC-F419, “Unification of derivation process for merge mode and MVP” (“Nakamura”). IPR2024-00604, Paper 1, 18-20; IPR2024-00605, Paper 1, 19-21. Like Rusert, Nakamura considers motion vectors associated with blocks neighboring the current block for inclusion in a merge list in a sequential manner, comparing a prior-determined alleged “subset” (S_0) with the later-examined alleged “first spatial motion vector prediction candidate” (S_1). IPR2024-00604, IPR2024-00605, Ex. 1009, 7. In the Prior IPRs, the Petitioner alleged the earlier motion vector added to the list, S_0 , was a “subset” determined “based on the location of the block associated” with the alleged first spatial motion vector prediction candidate, S_1 . The Board found the Petitioner’s Nakamura grounds lacking because “ S_0 is already selected regardless of what the selection of S_1 thereafter might be” and thus Nakamura could not teach “determining a subset of spatial motion vector prediction candidates based on the location of the block associated with the first spatial motion vector prediction candidate.” IPR2024-00604, IPR2024-00605, Paper 11, 57-59. Petitioners here omit Nakamura, but the same problems are present in Rusert. By examining neighbor blocks in a sequential, non-parallelizable pattern, Rusert determines the alleged “subset” (one or more lower numbered PMV candidates) to be used for a given spatial motion vector prediction candidate before it actually arrives at—or considers—that candidate (a higher numbered PMV candidate).

The Board's prior rejection of Nakamura applies equally to Rusert. Nakamura and Rusert use criteria other than the location of the alleged first spatial motion vector prediction candidate to determine the alleged subset. IPR2024-00604, IPR2024-00604, Ex. 2020 122:16-123:12 (Prior IPR Petitioner's expert describing Nakamura); 126:17-127:14 (describing Rusert). Per the Prior IPR Petitioner's expert, "for example, if the first motion vector prediction candidate [in Rusert] was actually block 2, then the subset would consist of block 1, motion vector information from block 1." *Id.* 90:9-91:18. Petitioner's expert in the Prior IPRs agreed that "the way Rusert works, by the time you get to block 2 in the scan order, the only block that has been processed to date is block 1." IPR2024-00604, IPR2024-00604, Ex. 2020 91:11-21. Rusert's blocks 2 and 1 are analogous to Nakamura's S_0 and S_1 . The fact that Rusert can have more PMV candidates in its alleged "subset" is immaterial. Rusert processes PMV candidates sequentially in order such that whatever Petitioners identify as the alleged "subset" will have been decided before the alleged "first spatial motion vector prediction candidate is ever determined. *See id.* 90:9-91:21 ("And so block 1 will be considered first, block 2 will be considered next, and so on."). Accordingly, Petitioner's Rusert grounds in this IPR are likely to fail.

II. THE FACTORS IDENTIFIED IN THE DIRECTOR'S MARCH 26, 2025, MEMORANDUM WEIGH HEAVILY IN FAVOR OF DISCRETIONARY DENIAL

The Director's March 26, 2025, Memorandum, notes that "consistent with the discretionary considerations enumerated in existing Board precedent (including *Fintiv*, *General Plastic*, and *Advanced Bionics*) and the Consolidated Trial Practice Guide (Nov. 2019), the parties are permitted to address all relevant considerations" that weigh in favor of discretionary denial." March 26, 2025, Memo, 2 (citations omitted). These factors 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. *Id.* at 2-3. As discussed in detail below, these factors weigh heavily in favor of discretionary denial, and Nokia respectfully requests that the Director deny institution.

A. The Claims Of The '714 Patent Have Been Held Valid In A Prior ITC Proceeding

While Petitioners note that an earlier-filed ITC proceeding is a "Related Matter," Petitioners failed to inform the Board that the ITC held the '714 Patent to

be valid in that proceeding. Petition, 74 (citing *Certain Video Capable Electronic Devices, Including Computers, Streaming Devices, Televisions, and Components and Modules Thereof*, Inv. No. 337-TA-1380 (ITC), filed October 31, 2023) (“-1380 ITC Investigation”). Petitioners’ omission of this prior ITC ruling hides the fact that the very same prior art asserted in the -1380 ITC Investigation is now being reasserted by Petitioners in ***BOTH*** the -1448 ITC Investigation and in this petition.

In the -1380 ITC Investigation, the ’714 Patent was asserted against Amazon and HP (“Respondents”), and Respondents served invalidity contentions in connection with its defense of that matter. Prior art combinations asserted by Amazon *were the very same prior art combinations being asserted by Petitioners in this IPR*. Compare EX-2004 (Exhibit D-4, charting “Rusert Alone or in Combination with Karczewicz and/or Lin”) with EX-2005 (Respondents’ Exhibit D-4, charting “Rusert Alone or in Combination with Karczewicz and/or Lin”). While Respondents elected to drop the prior art asserted in Grounds 1 and 2 of this Petition in the -1380 ITC Investigation to narrow its case for summary determination and trial, *the ITC ultimately held that the ’714 Patent was valid in its Initial Determination*. EX-2006 (-1380 ITC Public Initial Determination), 98. This prior ITC adjudication of validity of the Challenged Claims of the ’714 Patent weighs heavily in favor of discretionary denial, particularly in light of the Petitioner’s failure to rebut or even address this prior determination. *See, e.g., Webgroup Czech*

Republic, A.S. v. Dish Technologies LLC, IPR2025-00467, Paper 14, 2-3 (PTAB July 16, 2025); *Celltrion, Inc. v. Regeneron Pharmaceuticals, Inc.*, IPR2025-00456, Paper 14, 2 (Director June 25, 2025).

Further, trial in the currently pending, parallel -1448 ITC Investigation will take place more than a year before any FWD that would arise from this IPR. The Initial Determination and Final Determination in the -1448 ITC Investigation will be issued by the ITC months in advance of any FWD in this proceeding.

Petitioner Hisense's Invalidity Contentions in the -1448 ITC Investigation are a carbon copy of the invalidity contentions served by Amazon in the -1380 ITC Investigation, parroting the invalidity allegations concerning the prior art of Grounds 1 and 2 of this Petition almost verbatim. *Compare* EX-2004 (Exhibit D-4, charting "Rusert Alone or in Combination with Karczewicz and/or Lin") *with* EX-2005 (Amazon Exhibit D-4, charting "Rusert Alone or in Combination with Karczewicz and/or Lin"). Accordingly, the prior art asserted in Grounds 1 and 2 of this Petition will again be litigated in the parallel -1448 ITC Investigation even though the ITC has already held the '714 Patent valid in the -1380 ITC Investigation. Further, the ITC is very familiar with both the '714 Patent and the asserted prior art in view of the -1380 Investigation, and the ITC is best positioned to (re)consider Petitioners' prior art in the parallel proceeding. In summary, this Petition is nothing more than a serial and repetitive challenge of the '714 Patent based on the same prior art asserted

in the completed -1380 ITC Investigation, Institution of this IPR would be highly inefficient and a waste of both Board and party resources. *NHK Spring*, Paper 8, 11. These factors all weigh heavily in favor of discretionary denial.

B. Settled Expectations Weigh In Favor Of Denial

The '714 Patent issued on January 14, 2020. By the time the Board issues an Institution Decision in this case (February 3, 2026), over six years will have passed since issuance, giving rise to settled expectations. *Dabico Airport Solutions Inc. v. AXA Power ApS*, IPR2025-00408, Paper 21 (Director June 18, 2025). Because there are no legitimate reasons to use Board resources to disturb these settled expectations, this factor weighs in favor of discretionary denial. *Id.* Petitioner Hisense makes and sells many products, including smart televisions, that rely on the improved methods of bi-prediction disclosed in the '714 Patent. These products are identified in detail in the -1448 ITC Investigation. EX-2002, 66-70. Moreover, Petitioner Hisense has been in licensing negotiations with Patent Owner since at least 2018 in connection with H.264 and H.265 related video technology (EX-2007, ¶41), and Petitioner Snap has been aware of Patent Owner's patents in the same video coding technology space since at least the filing of the -1380 ITC Investigation in 2023. Because Petitioners without question make and sell products that operate in the same video coding technology space encompassed by the '714 Patent, Petitioners were or should have been on notice of the '714 Patent and anticipated Patent Owner's assertion of its

intellectual property rights. Moreover, Patent Owner has a well-established patent licensing program relating to the video coding technology space, of which Petitioner is aware, and has negotiated well over 50 license agreements for video coding technology patents. EX-2007, ¶41.

C. Petitioners Reliance On Expert Testimony Favors Denial

The Acting Director of the USPTO considers the “extent of the petition’s reliance on expert testimony” when determining discretionary denial. The USPTO’s FAQs for discretionary denial explain that “[t]he failure to provide focused expert testimony may weigh against institution.” FAQs for Interim Processes for PTAB Workload Management (available at <https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management>) at Q.22. This factor favors denial: Petitioner relies heavily on expert argument and inferences to fill the prior art’s gaps and allegedly arrive at the claimed invention.

Petitioner relies on expert testimony for every cited claim limitation in each Ground, citing to Dr. Creusere’s declaration over 170 times. This overreliance on expert testimony by Petitioner defeats the purpose of providing expert testimony in the first place, which is to provide “focused testimony, for example to provide helpful context or to explain terms of art.” *See* FAQs for Interim Processes for PTAB Workload Management at Q.22. The declarations lack focus because they provide only a cursory analysis of the prior art using language that tracks the Petition. For

example, the language used in the last paragraph on page 24 of the Petition is nearly identical to the language used by Dr. Creusere in paragraph 109 of his declaration (Ex-1003). *Compare* Petition at 24-25 *with* SNAP-1003, ¶ 109. Even worse, the Petition uses paragraph 112 of Dr. Creusere's petition to fill the gaps left by the prior art. *See* Petition at 27; *see also* SNAP-1003, ¶ 112. These are just examples of the overarching pattern contained throughout the Petition and expert declarations. This use of expert testimony distracts from what the purpose of expert testimony should be, to help aide the Board with context explanations of the prior art.

Patent Owner, in its POPR, will explain why Petitioner's arguments, assumptions, and inferences are incorrect and do not meet the claim limitations. Regardless, because of Petitioner's extensive reliance on the expert testimony of another expert, this dispute is better suited to be resolved in other venues, and this factor favors denial of institution. *See* FAQs for Interim Processes for PTAB Workload Management at Q.22.

III. CONCLUSION

For the foregoing reasons, the Director should exercise his discretion and deny institution.

Dated: October 6, 2025

Respectfully submitted,

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CERTIFICATION OF SERVICE

The undersigned hereby certifies that the foregoing **PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL** has been served on Petitioner via email on the following counsel of record for Petitioner:

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