

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SNAP INC. and HISENSE USA CORPORATION,
Petitioner,

v.

NOKIA TECHNOLOGIES OY,
Patent Owner.

IPR2025-01263

Patent No. 10,536,714

**PETITIONERS' OPPOSITION TO PATENT OWNER'S
REQUEST FOR DISCRETIONARY DENIAL**

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	NOKIA’S <i>FINTIV</i> ANALYSIS IGNORES PETITIONER SNAP WHICH IS NOT A PARTY TO ANY PARALLEL PROCEEDING.	4
III.	THE MERITS OF THE PETITION ARE COMPELLING IN VIEW OF THE PRIOR INSTITUTION.	5
IV.	GIVEN THE ISSUE DATE AND PRIOR IPR INSTITUTION, PO HAS NO SETTLED EXPECTATIONS.	8
V.	IT IS FAR MORE EFFICIENT FOR THE BOARD TO RESOLVE INVALIDITY OF THE ’714 PATENT THAN TO LEAVE IT TO AT LEAST THREE DIFFERENT DISTRICT COURTS.....	9
VI.	TO THE EXTENT <i>FINTIV</i> DOES APPLY INSTITUTION IS STILL FAVORED.....	10
	A. Factor 1: The ITC is Closed and the <i>Hisense</i> Case is Stayed	10
	B. Factor 2: A FWD Would Precede Any District Court Trial	10
	C. Factor 3: There Has Been No Investment in the District Court Proceeding, and Petitioner Was Diligent in Filing this IPR	11
	D. Factor 4: There Is Limited Overlap Between This IPR and the Parallel Proceedings	12
	E. Factor 5: Snap Is Not a Defendant in the Parallel Proceedings	13
	F. Factor 6: Other Factors Favor Institution.....	13
VII.	PETITIONERS APPROPRIATELY RELY ON EXPERT TESTIMONY THAT IS ENTITLED TO WEIGHT.....	14
VIII.	THE NEW DIRECTOR INSTITUTION PROCESS SHOULD NOT GOVERN THE DECISION TO INSTITUTE.....	16
IX.	CONCLUSION	19

TABLE OF AUTHORITIES

CASES

<i>All. Laundry Sys., LLC, v. Payrange LLC,</i> PGR2025-00027, Paper No. 11 (PTAB July 17, 2025).....	2, 12
<i>Amazon.com, Inc. v. NL Giken Inc.,</i> IPR2025-00250, Paper No. 14 (PTAB May 16, 2025)	11
<i>Amazon.com, Inc. v. Nokia Techs. Oy,</i> IPR2024-00604, Paper No. 4 (PTAB Apr. 8, 2024).....	1
<i>Apple Inc., v. Apex Beam Techs. LLC,</i> IPR2025-00894, Paper No. 10 (PTAB Sept. 9, 2025).....	8
<i>Arm Ltd. v. Daedalus Prime LLC</i> IPR2025-00207, Paper No. 14 (PTAB Aug. 6, 2025).....	1, 2, 6
<i>Azurity Pharms., Inc. v. Helsinn Healthcare S.A.,</i> IPR2025-00945, Paper No. 11 (PTAB Sept. 19, 2025).....	3, 13
<i>Berkshire Hathaway Energy Co. v. Birthtech Corp.</i> IPR2025-00274, Paper No. 23 (PTAB July 2, 2025)	9
<i>BMW of N. Am., LLC v. Mich. Motor Techs. LLC,</i> IPR2023-01234, Paper No. 11 (PTAB Jan. 26, 2024)	13
<i>Cambridge Indus. USA, Inc. v. Applied Optoelectronics, Inc.,</i> IPR2025-00434, -436, -437 Paper No. 11 (PTAB June 26, 2025).....	15
<i>Charter Commc'ns, Inc. v. Adaptive Spectrum & Signal Alignment,</i> <i>Inc.,</i> IPR2025-00088, Paper No. 11 (PTAB Apr. 2, 2025).....	5
<i>Charter Commc'ns, Inc. v. Adaptive Spectrum & Signal Alignment,</i> <i>Inc.,</i> IPR2025-00088, Paper No. 14 (PTAB May 22, 2025)	4
<i>F.C.C. v. Fox Tele. Stations, Inc.,</i> 556 U.S. 502 (2009).....	18

<i>Food & Drug Admin. v. Wages & White Lion Invs., L.L.C.</i> , 604 U.S. 542 (2025).....	18
<i>Geotab Inc. v. Fractus, S.A.</i> , IPR2025-01026, Paper No. 14 (PTAB Oct. 17, 2025)	8
<i>Google LLC et al. v. Mullen Indus. LLC</i> , IPR2025-00124, Paper No. 14 (PTAB May 12, 2025)	3, 4
<i>Google v. Mullen</i> , IPR2025-00124, Paper No. 8 (PTAB Feb. 14, 2025).....	4
<i>Harbor Freight Tools USA, Inc. v. Champion Power Equipment, Inc.</i> , IPR2025-00805, Paper 20 (PTAB Sept. 19, 2025)	9
<i>iRhythm Techs., Inc. v. Welch Allyn, Inc.</i> , IPR2025-00363, -374, -376, -377, -378 Paper No. 10 (PTAB June 6, 2025)	14
<i>Nat’l Fed’n of Indep. Bus. v. Dep’t of Lab., Occupational Safety & Health Admin.</i> , 595 U.S. 109 (2022).....	19
<i>Samsung Display Co. v. Pictiva Displays Int’l Ltd.</i> IPR2024-01222, Paper No. 12 (PTAB Mar. 6, 2025)	12
<i>Savant Techs LLC v. Feit Elec. Co.</i> , IPR2025-00260, Paper No. 16 (PTAB June 12, 2025)	12
<i>Snap, Inc. v. SRK Tech. LLC</i> , IPR2020-00820, Paper No. 15 (PTAB Oct. 21, 2020).....	10
<i>Tesla, Inc. v. Intellectual Ventures II LLC</i> , IPR2025-00217, Paper No. 9 (PTAB June 13, 2025)	1, 2, 6, 7
<i>Tex. Instruments Inc. v. Cypress Semiconductor Corp.</i> , 90 F.3d 1558 (Fed. Cir. 1996)	3
<i>Twitch Interactive, Inc. v. Razdog Holdings LLC</i> , IPR2025-00307, Paper No. 18 (PTAB May 16, 2025)	14

STATUTES

35 U.S.C. § 311.....18

35 U.S.C. § 316.....16, 17, 18, 19

America Invents Act 19

OTHER AUTHORITIES

157 Cong. Rec. S1352 (Mar. 8, 2011 5

88 Fed. Reg. 24,503 (Apr. 21, 2023) 18

S. Rep. No. 110-259 (2008) 5

NON-TOA REFERENCES

Memorandum of Acting Director Stewart (the “Acting Director
Memo”) 16, 17

Memorandum of Chief Administrative Patent Judge Scott Boalick (the
“Boalick Memo”).....16, 17

EXHIBIT LIST

Exhibit	Reference	New
1001	U.S. Patent No. 10,536,714	
1002	U.S. Patent No. 10,536,714 File History	
1003	Declaration of Dr. Charles D. Creusere	
1004	U.S. Patent Application Publication No. 2011/0194609 to Rusert et al (“Rusert”)	
1005	U.S. Patent Application Publication No. 2011/0249721 to Karczewicz et al (“Karczewicz”)	
1006	U.S. Patent Application Publication No. 2014/0092981 to Lin et al (“Lin”)	
1007	IPR2024-00604, Paper No. 11: Decision Granting Institution of Inter Partes Review	
1008	IPR2024-00605, Paper No. 11: Decision Granting Institution of Inter Partes Review	
1009	Sung Deuk Kim and Jong Beom Ra, An Efficient Motion Vector Coding Scheme Based on Minimum Bitrate Prediction, IEEE Transactions on Image Processing, Vol. 8, No. 8 (Aug. 1999)	
1010	Ken McCann and Thomas Davies, Samsung and BBC Response to Call for Proposals on Video Compression Technology (2010)	
1011	JCTVC-A124, Samsung’s Response to the Call for Proposals on Video Compression Technology, Joint Collaborative Team on Video Coding (JCT-VC) of ITU-T SG16 WP3 and ISO/IEC JTC1/SC29/WG11, 1st Meeting, Dresden, DE, 15-23 April, 2010.	
1012	U.S. Provisional Application 61/301,649 (“Rusert Provisional”)	
1013	U.S. Provisional Application 61/500,903 (“Lin Provisional”)	

1014	U.S. Patent Application Publication No. 2012/0128067 to Liu (“Liu”)	
1015	Gary J. Sullivan, Recent Developments in Standardization of High Efficiency Video Coding (HEVC) (“Sullivan”)	
1016	Frank Bossen, HEVC Complexity and Implementation Analysis (“Bossen”)	
1017	Jian-Wei Chen et al, Introduction to H.264 advanced video coding. In: Proceedings of the 2006 Asia and South Pacific Design Automation Conference vol. 2006, PP. 736-741 (2006)	
1018	Won, Kwanghyun et al, Motion vector coding using decoderside estimation of motion vector. In 2009 IEEE International Symposium on Broadband Multimedia Systems and Broadcasting (BMSB). IEEE, 2009	
1019	Gary J. Sullivan et al, The H.264/AVC Advanced Video Coding Standard: Overview and Introduction to the Fidelity Range Extensions, SPIE Conference on Applications of Digital Image Processing XXVII, 2004	
1020	September 9, 2025 Letter from P. McKeever to Scott W. Jefny regarding stipulation	
1021	Order No. 16, Granting In Part Joint Unopposed Motion By the Private parties to Modify the Procedural Schedule to Extend Evidentiary Hearing, 337-TA-1448 (Aug. 25, 2025)	X
1022	Original Complaint, Nokia Techs. Oy v. Hisense Co. Ltd. and Hisense USA Corp., No. 1:25-cv-01871 (N.D. Ga. April 7, 2025), ECF No. 1.	X
1023	Complaint Under Section 337 of The Tariff Act of 1930, As Amended, Inv. No. 337-TA-3821 (Apr. 11, 2025)	X
1024	FAQs for Interim Processes for PTAB Workload Management, USPTO, https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management (last visited Sept. 18, 2025)	X

1025	Original Complaint in Nokia Techs. Oy v. Paramount Skydance Corp. et al., No. 1:25-cv-1054 (D Del)	X
1026	Nokia's Patent Owner Response in IPR2024-00605	X
1027	ITC web page regarding cease of regular operations, https://www.usitc.gov/press_room/2025_lapse_of_appropriations (last visited Oct. 7, 2025)	X
1028	Order on Defendants' Unopposed Motion for a Stay Pending ITC Proceeding and Extension of Time to Respond to Complaint, Nokia Techs. Oy, v. Hisense Co. Ltd. et al., No. 1:25-cv-01871-TWT, Dkt. 26 (N.D. Ga. June 5, 2025)	X
1029	DocketNavigator.com, Time-to-Trial report for Northern District of Georgia (exported Oct. 6, 2025)	X
1030	Complainant's Unopposed Motion for Partial Termination of the Investigation, 337-TA-1448 (Aug. 20, 2025)	X
1031	Order No. 17, Initial Determination Granting Complainants' Unopposed Motion for Partial Termination of This Investigation as to Certain Asserted Claims, 337-TA-1448 (Sept. 5, 2025)	X
1032	Order No. 22, Initial Determination Granting Complainants' Unopposed Motion for Partial Termination of This Investigation as to Certain Asserted Claims, 337-TA-1448 (Sept. 22, 2025)	X
1033	Initial Determination on Violation of Section 337 and Recommended Determination on Remedy and Bond, 337-TA-1380 (Dec. 20, 2024)	X
1034	Patent Owner's Preliminary Response in IPR2024-00605	X
1035	Declaration of Dr. Iain Richardson, EX2001 in IPR2024-00605	X
1036	Order No. 18, Initial Determination Revising the Target Date Due to Government Shutdown, Inv. No. 337-TA-1118	X
1037	Order No. 26, Initial Determination Revising the Target Date for Issuance of the Initial Determination on Violation, and Revising	X

	the Target Date Because of the Government Shutdown, Inv. No. 337-TA1124	
1038	Memorandum from Coke Morgan Stewart on Interim Processes for PTAB Workload Management (Mar. 26, 2025) (“Acting Director Memo”)	X
1039	Interim Director Discretionary Process, https://www.uspto.gov/patents/ptab/interim-director-discretionary-process (last visited Nov. 5, 2025)	X
1040	Memorandum from Director John A. Squires on Director Institution of AIA Trial Proceedings (Oct. 17, 2025)	X

I. INTRODUCTION

Petitioners Snap Inc. (“Snap”) and Hisense USA Corp. (“Hisense,” and collectively with Snap, “Petitioners”) request that the Director deny Nokia Technologies Oy’s (“PO” or “Nokia”) request for discretionary denial (Paper No. 8, “DD Request”) and, instead, institute trial in this proceeding.

A holistic analysis of the facts particular to this proceeding show that the Office is the appropriate and most efficient forum to review the unpatentability of U.S. Patent No. 10,536,714 (“the ’714 Patent,” EX1001). In particular, the Deputy Director’s decisions in *Mercedes-Benz Group AG v. The Phelan Group, LLC* (IPR2025-00413 and IPR2025-00919 et al.), *Tesla, Inc. v. Intellectual Ventures II LLC* (IPR2025-00217 et al.), and *Arm Ltd. v. Daedalus Prime LLC* (IPR2025-00207) provide clear guidance that supports institution in this case. Accordingly, the Deputy Director should decline to discretionarily deny institution of this IPR.

As an initial matter, the Board previously ***instituted*** two IPRs¹ challenging the ’714 Patent using the same Rusert, Karczewicz, and Lin prior art. EX1007, 08. Those

¹ Amazon’s challenge of the ’714 Patent was split between two IPRs, IPR2024-00604 and IPR2024-00605, addressing encoding and decoding claims in separate petitions. *See, e.g., Amazon.com, Inc. v. Nokia Techs. Oy*, IPR2024-00604, Paper No. 4 (PTAB Apr. 8, 2024) (Multiple Petition Statement).

IPRs did not reach final written decisions because the parties settled and terminated the IPRs. Thus, these facts are like those in *ARM v. Daedalus Prime*, where the Deputy Director vacated a prior denial and referred the petition to the Board after related litigation was dismissed, finding persuasive the Board's previous unpatentability finding in "substantially identical claims." IPR2025-00207, Paper No. 14 (PTAB Aug. 6, 2025); *see also, e.g., Tesla*, IPR2025-00217, Paper No. 9 at 2 (PTAB June 13, 2025) (noting that the "Board previously determined there was a reasonable likelihood that similar claims of an ancestor patent were unpatentable in three separate proceedings with respect to some of the challenged patents in these proceedings," which "counsel[s] against discretionary denial."). Indeed, the case for referral of the present petition is even stronger here than in *Arm* and *Tesla*, because here the Board's prior decision considered *the very same claims* and prior art.

Further, Petitioners have chosen to pursue only two grounds addressed in the Amazon IPR, further streamlining the process and increasing efficiency for the Board over the previously instituted IPR.

Moreover, the Board will be the first tribunal with binding authority to rule on the '714 Patent, long before the issue will be taken up in any of the district court litigations. The DD Request ignores that *all* three related district court actions are *stayed*. Assuming the ITC even reaches invalidity, the ITC lacks authority to invalidate a patent and its rulings are not binding on either the Office or district

courts. *Tex. Instruments Inc. v. Cypress Semiconductor Corp.*, 90 F.3d 1558, 1568–69 (Fed. Cir. 1996). Thus, the Board would rule on patentability long before any other jurisdiction with binding authority.

Critically, Petitioner Snap is not a party to the 1448 investigation or any other litigation involving the '714 Patent which strongly counsels against discretionary denial. *See Google LLC et al. v. Mullen Indus. LLC*, IPR2025-00124, Paper No. 14 at 11 (PTAB May 12, 2025) (granting institution despite parallel litigation where, among other reasons, one of the petitioners “is a party in this case but not in the district court litigation”); *see also Azurity Pharms., Inc. v. Helsinn Healthcare S.A.*, IPR2025-00945, Paper No. 11 at 2 (PTAB Sept. 19, 2025) (referring IPRs where “the parties [we]re not currently engaged in a parallel proceeding involving the challenged patents”). At least with respect to Petitioner Snap, this case is like *Mercedes-Benz*, where the Deputy Director found that the absence of a scheduled trial date and minimal investment in the district court proceeding weighed against discretionary denial. IPR2025-00413, Paper No. 13 at 2 (PTAB Jun. 25, 2025). Although Petitioner Hisense is a party to the ITC proceeding, Petitioner Snap should not be penalized for jointly filing with Hisense which avoided a separate petition and reduced the burden on the Director and Nokia.

Finally, whereas the IPR addresses all thirty claims of the '714 Patent, Nokia is presently asserting only eleven claims in the ITC case. There is nothing efficient

about denying institution here of a proceeding that may efficiently and finally resolve invalidity of all 30 claims to allow the ITC to issue a ***non-binding*** decision on ***less than half*** of the claims. The Board is clearly best situated to address the invalidity of ***all claims*** of the '714 Patent, potentially eliminating the need for piecemeal litigation of invalidity of the same patent in ***three different district courts***.

For these reasons, and as explained fully herein, the Director should deny PO's request for discretionary denial and institute trial in this proceeding.

II. NOKIA'S *FINTIV* ANALYSIS IGNORES PETITIONER SNAP WHICH IS NOT A PARTY TO ANY PARALLEL PROCEEDING.

PO fails to even acknowledge, much less address the fact that Snap is not a party to any parallel proceeding. The PTAB has granted institution under similar circumstances. *See, e.g., Google v. Mullen*, IPR2025-00124, Paper No. 14 at 11, 41 (treating *Fintiv* factor 5 as neutral “[b]ecause of the involvement of a non-defendant” and granting institution); *see also, e.g., Charter Commc'ns, Inc. v. Adaptive Spectrum & Signal Alignment, Inc.*, IPR2025-00088, Paper No. 14 at 13 (PTAB May 22, 2025) (reasoning that factor 5 weighed against discretionary denial where one of two petitioner parties was not a party to the parallel litigation).

The PTAB has relied on the absence of a petitioner from parallel litigation even where that petitioner had business relationships with named defendants in the parallel litigation. *See, e.g., Google v. Mullen*, IPR2025-00124, Paper No. 8 at 31–32 (PTAB Feb. 14, 2025) (noting that non-defendant “(1) voluntarily submitted

declarations on [named-defendant's] behalf, (ii) produced documents and source code in response to subpoenas, and (iii) is represented by the same outside counsel that represents the [named-defendant's] entities); *Charter*, IPR2025-00088, Paper No. 11 at 9 (PTAB Apr. 2, 2025) (noting that non-defendant was obligated to indemnify named defendant in parallel litigation). That Snap is not a party to any of the parallel proceedings should be given more weight here where Snap has no substantial business relationship with Hisense or any of the other parties in the parallel proceedings.

Petitioners, in the interest of efficiency, joined efforts in part to reduce the number of IPR petitions filed at the PTAB. Snap should not be punished for using the IPR process as Congress intended—as an efficient alternative to courtroom litigation. *See* 157 Cong. Rec. S1352 (Mar. 8, 2011) (statement of Sen. Udall) (“Inter partes . . . proceedings are intended to serve as a less-expensive alternative to courtroom litigation and provide additional access to the expertise of the Patent Office on questions of patentability.”); S. Rep. No. 110-259 at 20 (2008) (stating that the purpose of the IPR procedure is to provide “a quick, inexpensive, and reliable alternative to district court litigation to resolve questions of patent validity”).

III. THE MERITS OF THE PETITION ARE COMPELLING IN VIEW OF THE PRIOR INSTITUTION.

The compelling merits of the Petition weigh strongly against discretionary denial. The Board found two grounds in the prior petition—(1) Rusert and

Karczewicz and (2) Rusert, Karczewicz, and Lin—likely rendered all challenged claims obvious. EX1008, 70. Past Board decisions addressing the invalidity of similar claims in related patents is a factor that weighs against discretionary denial. For example, in *Arm v. Daedalus*, the Deputy Director granted review and referred an IPR where “the Board ha[d] already determined that ‘substantially identical claims’ in a related patent to the challenged patent are unpatentable based on one of the prior art references in th[e] proceeding.” IPR2025-00207, Paper No. 14, at 3. “Given th[at] fact, and the similarity of the patentability issues,” the Deputy Director reasoned “it [wa]s efficient for the Board to take up th[e] case.” *Id.*; see also, e.g., *Tesla*, IPR2025-00217, Paper No. 9 at 2 (Board’s institution of IPRs on “similar claims of an ancestor patent” weighted against discretionary denial); *Mercedes*, Paper No. 8 at 2 (institution of IPR on related patent based on similar prior art weighed against discretionary denial); *Id.*, Paper No. 13 at 2 (invalidation of related patent via EPR weighed against discretionary denial).

PO cites the irrelevant portion of the prior institution decision that addressed a ground not advanced in the present Petition—while ignoring the sections addressing the grounds presented here. Unsurprisingly, had it acknowledged that discussion, its argument would collapse. Specifically, PO argues that “[t]he Board’s prior rejection of Nakamura applies equally to Rusert.” See DD Request at 14. PO’s argument does not withstand scrutiny, however. First, the **Board** previously (and

correctly) rejected this argument, when it “institute[d] review . . . based on Rusert and Karczewicz and based on Rusert, Karczewicz, and Lin,” despite its reservations about the Nakamura ground. EX1008 at 67 n.17. In fact, the Board has already explained that PO’s position “is misplaced and misunderstands Petitioner’s position.” *See id.* at 34 (“Petitioner is correct that the determined subset depends on the location of the first selected spatial motion vector prediction candidate.”). Specifically, the location of the first selected candidate changes the subset, e.g., the location of block 5 has a different subset than the location of block 3. *Id.*

Second, the 1380 investigation’s initial determination did not analyze Rusert as prior art, and instead based its invalidity decision off Nakamura failing to meet the element of determining a “subset . . . based on the location of the block associated with the first spatial motion vector prediction candidate.” EX1033 at 104. And as described above, the Board already found Rusert likely meets this limitation. *See* EX1008 at 34. Thus, the 1380 investigation’s initial determination on validity in view of different prior art is immaterial.

The Board’s prior order finding that the prior petitions showed that Rusert and Karczewicz as well as Rusert, Karczewicz, and Lin likely render obvious each of the then-challenged claims confirms the merits of the present Petition are compelling and strongly weighs against discretionary denial.

IV. GIVEN THE ISSUE DATE AND PRIOR IPR INSTITUTION, PO HAS NO SETTLED EXPECTATIONS.

PO's claim as to "settled expectations" should be rejected. As PO admits, the '714 Patent issued on January 14, 2020, *i.e.*, less than six years ago. DD Request at 18. This is insufficient for PO to have settled expectations. *See, e.g., Geotab Inc. v. Fractus, S.A.*, IPR2025-01026, Paper No. 14 (PTAB Oct. 17, 2025) (finding a patent in force for *less than four years* has not developed settled expectations); *Apple Inc., v. Apex Beam Techs. LLC*, IPR2025-00894, Paper No. 10 (PTAB Sept. 9, 2025) (Patent Owner failed to sufficiently articulate why a patent in force for *less than five years* should have settled expectations). Additionally, Snap and Nokia voluntarily entered into an agreement that imposed contractual obligations on both parties, including a limitation against filing IPRs relating to patents of the other party, between May 15, 2023, and May 15, 2025.

Moreover, PO asserted the '714 Patent for the first time against Amazon and HP in late 2023. Amazon responded, in part, by filing the prior IPRs based on Rusert, Karczewicz, and Lin. The prior IPRs were instituted because the Board found that the prior petitions demonstrated a reasonable likelihood that the Rusert grounds rendered obvious all the challenged claims. *See generally* EX1007, EX1008. Every party PO has ever sued for allegedly infringing the '714 has challenged the validity of the patent and the Board's prior institution decision confirms those challenges had merit.

Given the last time the Office considered the '714 patent, the Board concluded the claims were more likely than not invalid, PO has no “settled expectations” that the patent would not be challenged.

V. IT IS FAR MORE EFFICIENT FOR THE BOARD TO RESOLVE INVALIDITY OF THE '714 PATENT THAN TO LEAVE IT TO AT LEAST THREE DIFFERENT DISTRICT COURTS.

In addition to the investigation, PO is presently asserting the '714 Patent in district court cases in three different courts: (1) in N.D. Ga. against Hisense (Case No. 25-cv-01871), (2) in C.D. Cal. against ASUSTek (Case No. 25-cv-03053), and (3) in W.D. Tex. against Acer Inc (Case No. 25-cv-00523). Paper 3 at 64; EX1025. These cases are presently stayed pending resolution of the ITC case, but, as noted, the ITC’s conclusion on invalidity—assuming a conclusion is even reached—will not be binding on *any* of these courts. It would be far more efficient for the Board to address the present invalidity challenge than for the prior art to be litigated in three different district court cases.

Recently, in *Harbor Freight Tools USA, Inc. v. Champion Power Equipment, Inc.*, the Deputy Director reasoned that “[b]ecause the litigation between the parties would proceed to several district court trials in different jurisdictions, resolving the dispute between the parties at the Office would be more efficient.” IPR2025-00805, Paper 20 at 2 (PTAB Sept. 19, 2025). Similarly, in *Berkshire Hathaway Energy Co. v. Birthtech Corp.*, the Deputy Director referred IPRs to the Board for efficiency

reasons where the patent owner had “sued a large number of parties in a multitude of districts.” IPR2025-00274, Paper No. 23 at 2 (PTAB July 2, 2025). Likewise, here, resolving the present dispute at the Office would be more efficient than leaving at least three district courts to address invalidity in separate proceedings.

VI. TO THE EXTENT *FINTIV* DOES APPLY INSTITUTION IS STILL FAVORED.

A. Factor 1: The ITC is Closed and the *Hisense* Case is Stayed

PO’s discussion of this factor only considers the ITC case which, as discussed, will at most produce in a non-binding invalidity determination as to two claims. Moreover, the ITC case is effectively stayed right now because the Commission has “ceased regular operations” due to the government shutdown. EX1027.

PO also ignores the *Hisense* district court case that was stayed on June 5, 2025, and will remain stayed until the 1448 investigation becomes final. EX1028. Accordingly, this factor weighs strongly against discretionary denial. *Snap, Inc. v. SRK Tech. LLC*, IPR2020-00820, Paper No. 15 at 9 (PTAB Oct. 21, 2020) (precedential in relevant part).

B. Factor 2: A FWD Would Precede Any District Court Trial

Given the ITC is closed and will remain closed for an uncertain period of time due to the government shutdown, it is unclear when the 1448 investigation will reach any determination as to invalidity and whether that will happen before a FWD would be reached in this case. Notably, in past ITC investigations impacted by a

government shutdown of 35 days, ALJ McNamara extended schedules by *three-to-four months*. EX1036, EX1037. At present, the government has been closed for 35 days and counting. A similar extension of the schedule in the 1448 investigation by ALJ McNamara may bump the Target Date deadline beyond the Feb. 5, 2027 deadline for the final written decision in this IPR. Already, the *Markman* hearing of the 1448 investigation has been delayed as it was scheduled for October 17, 2025. See EX1021. And, because Staff is unable to attend expert depositions while furloughed, these depositions will be delayed.

As for the *Hisense* district court case, DocketNavigator reports the median time to trial in the Northern District of Georgia is 43 months. EX1029. Given that timing, a FWD in this case would be reached well in advance of any district court trial. Additionally, there is no parallel proceeding involving Snap. This factor thus also strongly weighs against discretionary denial. See, e.g., *Amazon.com, Inc. v. NL Giken Inc.*, IPR2025-00250, Paper No. 14 at 2 (PTAB May 16, 2025).

C. Factor 3: There Has Been No Investment in the District Court Proceeding, and Petitioner Was Diligent in Filing this IPR

There is no parallel proceeding involving Snap. The ITC closed before the claim construction hearing in the 1448 investigation. And nothing has happened in the *Hisense* district court case which was stayed before Hisense responded to the complaint. Further, Petitioners were diligent in filing this IPR less than four months after Nokia sued Hisense. Accordingly, this factor should weigh strongly against

discretionary denial. *See Savant Techs LLC v. Feit Elec. Co.*, IPR2025-00260, Paper No. 16 at 3 (PTAB June 12, 2025) (declining to discretionarily deny petition where “[p]etitioners acted diligently in filing this Petition less than three months after Patent Owner asserted claims 11 and 12 in district court”); *All. Laundry Sys., LLC, v. Payrange LLC*, PGR2025-00027, Paper No. 11 at 2 (PTAB July 17, 2025) (declining discretionary denial and noting that “relatively little investment in that proceeding” favors institution).

D. Factor 4: There Is Limited Overlap Between This IPR and the Parallel Proceedings

PO has already dropped 15 claims in the 1448 investigation, over half of the originally asserted claims. EX1023 at 23 (asserting claims 1-5, 7-8, 9-12, 14, 15-19, 21-22, 23-26, 28, 29, 30); EX1030 (dropping claim 30); EX1031 (dropping claims 4, 8, 11, 14, 18, 22, 25, 28, and 29); EX1032 (dropping claims 5, 7, 12, 19, 21, and 26). Accordingly, the ITC will not be addressing at least 15 claims Nokia has already accused Petitioner Hisense and others of infringing. In contrast, the Petition challenges all 30 claims of the patent. In *Samsung Display Co. v. Pictiva Displays Int’l Ltd.*, the Board reasoned that the petitioner’s challenge to “additional . . . claims not at issue in the district court” weighed against discretionary denial. IPR2024-01222, Paper No. 12 at 8 (PTAB Mar. 6, 2025).

As to the *Hisense* district court case, the case was stayed before PO served infringement contentions so it is unclear which claims will be litigated. But given

the stay, there is no overlap at this time. Further, Hisense has stipulated not to advance the same prior art from the IPR in either parallel proceeding. EX1020.

Because there is minimal overlap between the IPR and either parallel proceeding, this factor also weighs strongly against discretionary denial.

E. Factor 5: Snap Is Not a Defendant in the Parallel Proceedings

That Petitioner Snap is not a party to any parallel proceeding weighs against discretionary denial. *See Azurity*, IPR2025-00945, Paper 11 at 2 (referring petitions where “the parties [we]re not currently engaged in a parallel proceeding involving the challenged patents”). As to Hisense, as discussed, this IPR would reach a FWD well before any trial in the district court case. Where a final written decision “is likely to issue before the district court trial,” the Board has “weigh[ed] this factor against exercising discretion.” *BMW of N. Am., LLC v. Mich. Motor Techs. LLC*, IPR2023-01234, Paper No. 11 at 14-15 (PTAB Jan. 26, 2024) (collecting cases).

F. Factor 6: Other Factors Favor Institution

Other circumstances favoring institution of this IPR were discussed above. The Petition’s compelling merits—confirmed by the Board’s prior institution decisions based on the same prior art—warrant institution. Petitioner Snap is not a party to any parallel proceeding but nevertheless chose to proactively challenge the ’714 Patent rather than wait to be sued by PO. Additionally, it would be highly inefficient to deny institution, particularly based on an ITC investigation that at best

will issue a non-binding decision on a small subset of the '714 Patent's claims and leave it to at least three different district courts to address invalidity of the patent down the road.

VII. PETITIONERS APPROPRIATELY RELY ON EXPERT TESTIMONY THAT IS ENTITLED TO WEIGHT.

PO argues that Petitioners' reliance on expert testimony supports discretionary denial. PO contends that "citing to Dr. Creusere's declaration over 170 times" to support their petition. DD Request at 19. But number of cites of an expert declaration alone does not support discretionary denial. *See, e.g., iRhythm Techs., Inc. v. Welch Allyn, Inc.*, IPR2025-00363, -374, -376, -377, -378, Paper No. 10 at 2-3 (PTAB June 6, 2025) (similar); *Twitch Interactive, Inc. v. Razdog Holdings LLC*, IPR2025-00307, Paper No. 18 at 3 (PTAB May 16, 2025) (denying request for discretionary denial despite patent owner's argument that the petitioner cited its expert's 269-page declaration at least 260 times).

Moreover, out of the 170 or so citations to Creusere, PO can only point to two to argue that discretionary denial is warranted. First, PO argues that "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." This is unsurprising given that the '714 Patent relates to video coding technology, which is a highly specialized technical field. PO additionally argues that "the Petition uses paragraph 112 of Dr. Creusere's petition to fill the gaps left by the prior art." Yet

this is simply attorney argument. Indeed, despite having its own expert previously provide an expert report, PO provides no evidence to demonstrate that the Dr. Creusere fills in a gap left in the prior art. *Cambridge Indus. USA, Inc. v. Applied Optoelectronics, Inc.*, IPR2025-00434, -436, -437, Paper No. 11 at 2 (PTAB June 26, 2025) (“Although Patent Owner argues that . . . Petitioner is over-reliant on expert testimony, Patent Owner does not identify any portions of the expert testimony that suggest Petitioner is using its expert to fill gaps in the prior art.”).

Lastly, as discussed the ’714 Patent relates to video coding technology, which is a highly specialized technical field requiring expert testimony. Indeed, in PO’s Preliminary Response to the Amazon Petition, Nokia referenced a 52-page declaration of its own expert, Dr. Ian Richardson, 50 times in its Preliminary Response to the Amazon Petition, despite only disputing a handful of the arguments in the Amazon Petition. EX1034; EX1035. And there, portions of PO’s Response and the declaration of Dr. Richardson were nearly identical. *Compare, e.g.*, EX1034 at 58 (POPR), *with* EX1035, ¶ 96 (Decl. of Dr. Richardson).

In summary, Petitioners’ citations to Dr. Creusere were appropriate given the complex technology discussed. Thus, this factor weighs against discretionary denial.

VIII. THE NEW DIRECTOR INSTITUTION PROCESS SHOULD NOT GOVERN THE DECISION TO INSTITUTE.

Petitioners also respectfully submit that the standards articulated in the June 2022 Procedures should apply to this Petition, until the Board issues new regulations in accordance with 35 U.S.C. § 316 and the Administrative Procedure Act (“APA”).

The Office announced significant changes to applicable standards beginning March 2025, e.g., with the March 24, 2025 Memorandum of Chief Administrative Patent Judge Scott Boalick (the “Boalick Memo”) and the March 26, 2025 Memorandum of Acting Director Stewart (the “Acting Director Memo”). The Acting Director Memo introduced an entirely new “interim process” that bifurcates institution between “(i) discretionary considerations and (ii) merits and other non-discretionary statutory considerations.” Acting Director Memo (EX1038) at 1. Under this new procedure, “the Director, [with] at least three PTAB judges,” will determine whether discretionary denial is appropriate based on “all relevant considerations,” including several newly enumerated factors. *Id.*, 1-2. Three weeks later, a USPTO oral webcast set forth additional substantive details of the new interim procedure. Then, eight days after the webcast, the USPTO posted on its website “FAQs for Interim Processes for PTAB Workload Management” (EX1024) with more substantive details, some potentially in conflict with details provided during the oral webcast. Since then, the webpage has been archived and replaced

with a “Interim Director Discretionary Process” webpage including additional information on the discretionary considerations process. *See* EX1039.

Then, on October 17, 2025, the Director issued a new Memorandum titled “Director Institution of AIA Trial Proceedings” in which the Director announced that he would take over determining whether to institute trial in IPR proceedings (“Director Institution Memo”). But the Director confirmed that this new approach to institution “flows from the processes outlined in the March 26, 2025 memorandum . . . under which the Director determines whether or not to deny a petition based on discretionary considerations.” *Id.*

Petitioners respectfully submit that these new procedures—as announced in the Boalick Memo, the Acting Director Memo, the oral webcast, the FAQs, and the Director Institution Memo (collectively, the “Announcements”)—fall short of satisfying the requisite statutory and due-process obligations of the USPTO.

By way of example, 35 U.S.C. § 316(a) mandates that “[t]he Director shall prescribe regulations” including regulations “(2) setting forth the standards for the showing of sufficient grounds to institute a review under section 314(a).” The Announcements fall short of 35 U.S.C. § 316(a) by:

1. Making changes without going through notice-and-comment rulemaking, particularly given the agency’s representation that it will make any further changes to the institution process through notice-and-comment rulemaking.

See 88 Fed. Reg. 24,503 (Apr. 21, 2023). The Announcements violate the notice-and-comment requirements under the APA and are arbitrary and capricious.

2. Proposing considerations that lack clarity so that they fail to set “forth the standards for the showing of sufficient grounds to institute a review.” 35 U.S.C. § 316(a).

3. Lacking a sufficiently reasoned explanation for the changes in the factors relevant to institution, including changes that directly contradict the agency’s prior guidance in the June 2022 Procedures—such as the controlling effect of a *Sotera* stipulation and the relevance of compelling merits. The passing reference to “efficiency” in the Announcements does not explain how the changes will aid that goal. *See Food & Drug Admin. v. Wages & White Lion Invs., L.L.C.*, 604 U.S. 542, 570 (2025) (an agency must “offer ‘good reasons for the new policy’”); *see also F.C.C. v. Fox Tele. Stations, Inc.*, 556 U.S. 502, 515 (2009) (same).

4. Creating at least a perception of a lack of transparency in the discretionary stage of the new bifurcated process. *See* EX1024 at 1 (encouraging stakeholders to “check back frequently for updates” to the FAQs webpage). Further, there is no way for the parties to know who is designated to advise the Director and, thus, whether there are any conflicts of interest or other procedural concerns.

5. Creating new extra-statutory institution criteria—“settled expectations”—that finds no support in the IPR statute (35 U.S.C. §§ 311 *et seq.*)

or in the Congressional record. The PTO “possess[es] only the authority that Congress has provided.” *Nat’l Fed’n of Indep. Bus. v. Dep’t of Lab., Occupational Safety & Health Admin.*, 595 U.S. 109, 117 (2022). The America Invents Act did not authorize the Director to create new institution criteria. These new institution criteria exceed the USPTO’s statutory authority and should be struck down under.

6. Holding that as of October 20, 2025, the Director will issue only a “summary notice” to the parties either denying or granting institution. Thus, petitioners will not know whether their petitions were denied due to the merits, discretionary considerations, or “other non-discretionary considerations.” EX1040 at 2. This too creates a lack of transparency without good cause, violates, the notice-and-comment requirements under the APA is arbitrary and capricious, and contravenes 35 U.S.C. § 316(a).

In the face of this nonexclusive list of deficiencies, Petitioners respectfully request: (1) the Director institute based on the standards articulated in the June 2022 Procedures until the Board issues new regulations in accordance with 35 U.S.C. § 316 and the rulemaking procedures of the APA; and (2) refrain from crediting Nokia with “settled expectations” based on the age of the ’714 Patent.

IX. CONCLUSION

On balance, the Director should deny PO’s request for discretionary denial and institute trial in this proceeding.

Respectfully submitted,

/ Patrick J. McKeever /

Patrick J. McKeever
Reg. No. 66,019

PERKINS COIE LLP
11452 El Camino Real, Suite 300
San Diego, CA 92130-2080

Date: November 5, 2025

CERTIFICATION OF COMPLIANCE

Pursuant to 37 C.F.R. §42.24 and the Interim Process for PTAB Workload Management, the undersigned hereby certifies that the word count for the foregoing PETITIONER'S OPPOSITION TO PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL totals 20 pages. Accordingly, this Opposition meets the Boards limitation of 20 pages.

Respectfully submitted,

/ Patrick J. McKeever /

Patrick J. McKeever
Reg. No. 66,019

PERKINS COIE LLP
11452 El Camino Real, Suite 300
San Diego, CA 92130-2080

Date: November 5, 2025

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true copy of the foregoing PETITIONER'S OPPOSITION TO PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL and Exhibits 1021-1040 were served via electronic mail upon the following counsel of record for PO:

Scott W. Hejny - shejny@McKoolSmith.com

Eric S. Hansen - ehansen@mckoolsmith.com

R. Mitch Verboncoeur - mverboncoeur@mckoolsmith.com

Nokia-Snap-IPR@mckoolsmith.com

Dated: November 5, 2025

By: / *Kate Rose* /
Kate Rose
Senior Paralegal