

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMAZON.COM, INC. and AMAZON.COM SERVICES LLC,
Petitioner

v.

INTERDIGITAL MADISON PATENT HOLDINGS, SAS,
Patent Owner

Case IPR2026-00195
U.S. Patent No. 10,250,877

**PATENT OWNER'S BRIEF ON
DISCRETIONARY DENIAL**

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PATENT OWNER'S EXHIBIT LIST

Exhibit No.	Description
2001	Complaint, <i>InterDigital, Inc. v. Amazon.com Services LLC</i> , Case No. 2:25-cv-00822 (EDVA Dec. 18, 2025)
2002	Complaint, <i>InterDigital, Inc. v. TCL Industries Holdings Co., Ltd.</i> , Case No. 2:26-cv-00101 (EDTX Feb. 9, 2026)
2003	Complaint, <i>InterDigital, Inc. vs. Hisense Co., Ltd.</i> , Case No. 1:26-cv-00754 (NDGA Feb. 9, 2026)
2004	Motion Denying Summary Judgment, <i>InterDigital, Inc. v. Lenovo (United States) Inc.</i> , Case No. 5:23-cv-00493 (EDNC July 17, 2024)
2005	Complaint, <i>InterDigital, Inc. v. Lenovo (United States) Inc.</i> , Case No. 5:23-cv-00493 (EDNC Sept. 1, 2023)
2006	Complaint, <i>Certain Electronic Devices Including Smartphones, Computers, Tablet Computers, and Components Thereof</i> , Inv. No. 337-TA-1373 (ITC Sept. 1, 2023)
2007	“InterDigital enforces patents against Amazon,” <i>InterDigital</i> , available at https://ir.interdigital.com/news-events/press-releases/news-details/2025/InterDigital-enforces-patents-against-Amazon/default.aspx (last accessed Mar. 3, 2026)
2008	Complaint, <i>Certain Video-Capable Electronic Devices, Including Smart Televisions, Monitors, and Components Thereof</i> , Inv. No. 337-TA-3889 (ITC Feb. 25, 2026)
2009	ITC Time to Milestones
2010	“Licensing at InterDigital,” <i>InterDigital</i> , available at https://www.interdigital.com/licensing (last accessed Feb. 20, 2026)
2011	Declaration of Ryan Pohlman

Exhibit No.	Description
2012	“InterDigital renews license agreement with Sony,” <i>InterDigital</i> , available at https://ir.interdigital.com/news-events/press-releases/news-details/2026/InterDigital-renews-license-agreement-with-Sony/default.aspx (last accessed Mar. 3, 2026)
2013	“InterDigital signs license agreement with HP,” <i>InterDigital</i> , available at https://ir.interdigital.com/news-events/press-releases/news-details/2025/InterDigital-signs-license-agreement-with-HP/default.aspx (last accessed Mar. 3, 2026)
2014	“2025: InterDigital’s Year In Review,” <i>InterDigital</i> , available at https://www.interdigital.com/post/2025-interdigitals-year-in-review (last accessed Mar. 3, 2026)
2015	Enforcement and Non-waiver of 37 C.F.R. § 42.104(b)(4) and Permissible Uses Of General Knowledge In <i>Inter Partes</i> Reviews (July 31, 2025), available at https://www.uspto.gov/sites/default/files/documents/aapa_memo_final_signed.pdf (last accessed March 5, 2026)
2016	InterDigital, Inc. Form 10-K (Annual Report), United States Securities and Exchange Commission, File No. 1-33579
2017	<i>Amazon.com, Inc. et al. v. InterDigital et al.</i> , Claim No. HP-2025-000043 Transcript of Proceedings December 3, 2025 in the High Court of Justice, London, England
2018	Additional Discretionary Institution Considerations – U.S. Manufacturing and Small Business Use of AIA Proceedings (March 11, 2026), available at https://www.uspto.gov/sites/default/files/documents/Additional_Discretionary_Institution_Considerations_US_Manufacturing_and_Small_Business_Use_of_AIA_Proceedings.pdf (last accessed March 12, 2026)
2019	Statement on the Public Interest by InterDigital, <i>Certain Video-Capable Electronic Devices, Including Smart Televisions, Monitors, and Components Thereof</i> , Inv. No. 337-TA-3889 (ITC Feb. 25, 2026)

Exhibit No.	Description
2020	Joint Outline of Issues, <i>Certain Electronic Devices Including Smartphones, Computers, Tablet Computers, and Components Thereof</i> , Inv. No. 337-TA-1373 (ITC Sept. 27, 2004)

I. INTRODUCTION

Patent Owner InterDigital Madison Patent Holdings, SAS (“InterDigital”) respectfully requests that the Director should exercise discretion and deny institution of *inter partes* review of U.S. Patent No. 10,250,877 (“the ’877 patent”). There are multiple bases that make it clear that it would not be an appropriate use of the Board’s resources to reconsider the patentability of the challenged claims.

First, InterDigital has strong settled expectations in the ’877 patent. Notably, the patent has been in force for almost seven years. Other factors enhance the settled expectations: InterDigital has extensively licensed the ’877 patent; there was prior consideration of validity issues in other forums; and InterDigital attempted, over the course of several years, to find a mutually agreeable solution to resolve Amazon’s unauthorized use of its digital video technology, but Amazon instead initiated worldwide litigation and filed this and other IPRs.

Second, institution should be denied in view of the co-pending ITC litigation because the *Fintiv* factors favor denial. Indeed, the ITC will issue a determination on the ’877 patent months before the Board’s projected FWD date.

Third, the number of ongoing and prior proceedings involving the ’877 patent further favors denial, particularly because the PTAB proceeding would be duplicative of and potentially inconsistent with the district court and ITC findings.

Fourth, the Office already expended substantial resources on this patent

during initial prosecution when the same art used in Amazon's challenges was considered by the Examiner, over which the claims were determined to be allowable. Accordingly, the Petition also warrants denial under 35 U.S.C. § 325(d).

Fifth, products licensed under InterDigital's '877 patent are manufactured in the United States, which further favors denial here.

Finally, Amazon's arguments on the merits are weak—failing to identify disclosure of multiple claim elements in the cited art—which causes the Petition to improperly rely on expert testimony to supply these missing elements.

For all of these reasons, InterDigital respectfully requests denial of this IPR.

II. BACKGROUND

InterDigital has been on the leading edge of developing foundational video, wireless communications, and other digital technologies for more than 50 years. EX2016, 4. Each year, InterDigital invests significantly—well over nine figures—in its world-class research and development, including in multiple facilities located in the United States. EX2016, 4-6. InterDigital employees have researched, designed, and developed technologies instrumental to video coding that are critical for providing efficient and high-quality transmission of video. EX2016, 6.

It is critically important to InterDigital's business to protect its innovations. This allows InterDigital to reinvest revenue back into the innovation cycle to fund its ongoing research and development, significantly contributing to technological

advancement in multiple industry segments. EX2010; EX2001, ¶¶19-20.

Consistent with its longstanding practice, InterDigital attempted to find a mutually agreeable solution to resolve the unauthorized use by Amazon of InterDigital's patented technology. EX2001, ¶¶2-3. Rather than taking a license or putting an end to its infringing conduct—like many other companies have done—Amazon initiated worldwide litigation attacking InterDigital's portfolio. EX2001, ¶3. Amazon's attack continued when it filed IPRs against the '877 patent and other InterDigital patents. The Director should not permit Amazon to use the PTAB as a forum to avoid responsibility for its ongoing infringement of InterDigital's intellectual property, particularly given the resources already expended—or soon to be expended—by the USPTO and other tribunals.

III. OVERVIEW OF THE '877 PATENT'S COMPREHENSIVE EXAMINATION

The '877 patent underwent a thorough examination, including consideration of two references used in Amazon's challenges here (Wiegand and Davies). Along with a preliminary amendment, Applicant submitted an Information Disclosure Statement (IDS) that listed only nine references, including Wiegand and Davies. EX1002, 2-11, 17-18. The Examiner signed the IDS. *Id.*, 187. After performing a comprehensive search that included numerous CPC and US classifications, and 86 different queries, *id.*, 180-184, the Examiner issued a non-final rejection that rejected the claims under § 112 and § 103. *Id.*, 162-172. In response, Applicant

submitted a second claim amendment and remarks. *Id.*, 188-201. The Examiner then issued a Final Office Action withdrawing the § 112 rejections but maintaining the § 103 rejections. *Id.*, 211-219. Applicant submitted an RCE, along with further claim amendments and remarks. *Id.*, 226-238. The Examiner performed additional searches that included over 100 new queries and issued a non-final rejection rejecting the claims under § 103 over a new combination of references. *Id.*, 250-258, 263-272. Applicant submitted a fourth claim amendment and remarks. *Id.*, 273-283. After entering a minor Examiner's amendment, the Examiner allowed the claims. *Id.*, 288-298. Patent Owner then paid the issue fee and the patent issued.

The Office has, therefore, expended extensive resources and attention on confirming the patentability of the challenged claims—including over two references used in Amazon's current challenge.

IV. THE PETITION WARRANTS DISCRETIONARY DENIAL FOR MULTIPLE REASONS.

The Director should exercise discretion to deny institution for multiple independent reasons, including: (1) InterDigital has strong settled expectations; (2) the *Fintiv* factors favor denial because the ITC is likely to hold its hearing (akin to the trial) before the Board's FWD; (3) the '877 patent is also involved in two ongoing district court litigations and was the subject of multiple prior proceedings; (4) the Petition runs afoul of § 325(d) because the Office already considered the same art presented here; (5) U.S. manufacturing considerations favor denial; and

(6) the Petition improperly ignores Board regulation and guidance by relying on expert testimony to fill gaps in the prior art. Each of these reasons independently supports denial. Taken together, the case for denial is overwhelming.

A. InterDigital’s settled expectations strongly favor denial.

Settled expectations weigh in favor of denying institution of this IPR based on the age of the patent. InterDigital’s settled expectations are heightened because numerous entities have licensed the ’877 patent and a district court denied a motion seeking to invalidate the claims based on subject matter eligibility. Further relevant here, InterDigital undertook significant efforts, over the course of several years, in attempting to find a mutually agreeable solution to resolve Amazon’s unauthorized use of its digital video technology. Instead, Amazon initiated worldwide litigation and filed this IPR (and others).

1. The ’877 patent has been in force for about seven years.

Patents that have been in force for over six years create strong settled expectations for patent owners. *See, e.g., iRhythm Techs., Inc. v. Welch Allyn, Inc.*, IPR2025-00363, Paper 10 (PTAB June 6, 2025); *Dabico Airport Solutions Inc. v. AXA Power ApS*, IPR2025-00408, Paper 21 (PTAB June 18, 2025) (informative); *Samsung Elecs. Co., Ltd. v. Headwater Research LLC*, IPR2025-00932, Paper 8 (PTAB Sept. 26, 2025). The ’877 patent issued on April 2, 2019. Thus, it has been in force for close to seven years. These facts establish that InterDigital has strong

settled expectations in its property right to the '877 patent.

2. InterDigital has enhanced settled expectations because it has licensed the '877 patent.

In recognition of the importance of the '877 patent's innovative technology, at least 20 entities have taken a license to the '877 patent. *See* EX2011, ¶3; *see also* EX2016, 8-9 (InterDigital Form 10-k, discussing 2025 patent licensing activity); EX2008 (2026 ITC Complaint), ¶102; EX2006 (2023 ITC Complaint), ¶85. Press releases announcing recent exemplary license agreements and renewals provide further evidence of InterDigital's licensing activity. *See* EX2012; EX2013; EX2014. These press releases also underscore the importance of such licenses to not only InterDigital but to the industry as a whole. InterDigital's licensing activity strengthens its settled expectations and is further reason the Director should exercise discretion to deny institution of this IPR. *See Alliance Laundry Sys., LLC v. PayRange LLC*, IPR2025-00950, Paper 11 at 3 (PTAB Sept. 19, 2025) (informative) (“[A]lthough the challenged patent has not been in force for a significant period of time (issued in 2021), Patent Owner presents evidence that it has licensed the challenged patent, which creates some settled expectations favoring Patent Owner.”).

3. Prior district court and ITC efforts regarding invalidity further strengthen InterDigital's settled expectations.

Invalidity issues regarding the '877 patent were previously the subject of

extensive briefing in both district court and the ITC. In the Eastern District of North Carolina (EDNC), the district court expended significant effort considering the briefing, did a thorough analysis, and denied defendant's motion seeking judgement of invalidity under § 101. EX2004, 34-41. This determination increases InterDigital's settled expectations in the validity of the '877 patent. Further, in an earlier September 2023 ITC proceeding, the parties and ITC staff fully briefed art-based invalidity issues for the '877 patent (including obviousness in view of the asserted Fimoff reference), before these issues were withdrawn, EX2020, 2-4, again increasing InterDigital's settled expectations.

4. InterDigital's general practice is to engage potential licensees in good faith with the goal of finding a mutually beneficial solution; InterDigital took this approach here.

When companies use InterDigital's patented technologies without permission, InterDigital's practice is to engage such companies in good faith negotiations with the goal of finding a mutually beneficial solution. EX2001, ¶2; EX2011, ¶4. This solution usually takes the form of a global patent license achieved through a mutual exchange of license offers and technical information regarding InterDigital's patents and the companies' product. EX2001, ¶2; EX2011, ¶4. These negotiations take place under the protection of confidentiality in order to resolve the unauthorized patent use by mutual agreement—and without resort to litigation. EX2001, ¶2; EX2011, ¶4. Such licensing negotiations can take up to

several years. EX2011, ¶4.

Consistent with its commitment to resolve intellectual property matters amicably, InterDigital undertook this approach with respect to Amazon. EX2001, ¶2; EX2011, ¶5. Despite InterDigital’s significant efforts in attempting to find a mutually agreeable solution to resolve Amazon’s unauthorized use of its digital video technology, Amazon abruptly initiated litigation in the United Kingdom and later in Sao Paolo, Brazil. EX2001, ¶3; EX2011, ¶5; *see also* EX2007 (quoting Josh Schmidt, Chief Legal Officer, InterDigital: “Our preference is always to sign licenses through amicable negotiation but Amazon’s decision to initiate litigation against InterDigital earlier this year shows that Amazon is more interested in litigating than negotiating.”); EX2017, 19:11-12, 19:16-18 (public transcript from the UK proceedings, affirming that “InterDigital, of course, considers that Amazon has jumped the gun commencing these proceedings,” and “InterDigital takes the position that Amazon should have been continuing to negotiate”). Only after being sued by InterDigital for patent infringement in the Eastern District of Virginia in response to Amazon first initiating litigation in the United Kingdom and Brazil, did Amazon file this IPR. *See* EX2001 (complaint filed December 18, 2025).

* * *

For each of these reasons, InterDigital has settled expectations for the ’877 patent, which support denial of this IPR. *See Amgen Inc. v. Bristol-Myers Squibb*

Co., IPR2025-00601, Paper 9 at 2 (PTAB July 24, 2025) (informative).

B. The *Fintiv* factors favor discretionary denial.

The '877 patent is the subject of an ITC complaint between InterDigital and third parties. EX2008. A holistic assessment of the *Fintiv* discretionary factors favors denial in view of this ITC proceeding. *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5-6 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”); *MSN Pharms., Inc. v. Breckenridge Pharm., Inc.*, IPR2025-01107, Paper 11 at 2-3 (PTAB Oct. 17, 2025) (discretionarily denying institution based on third party parallel proceeding with trial date before FWD).

Fintiv factor 1: Factor 1 strongly favors denial. The ITC is virtually certain not to stay its proceedings pending conclusion of an IPR. *See Milwaukee Elec. Tool Corp. v. Klein Tools, Inc.*, IPR2025-00724, Paper 14 at 2-3 (PTAB Sept. 12, 2025). The ITC has a statutory mandate to complete its investigation “at the earliest practicable time,” and its standing practice is to deny such requests. *See* 19 U.S.C. § 1337(b)(1); *Certain Automated Storage and Retrieval Systems, Robots, and Components Thereof*, Inv. No. 337-TA-1228, Order No. 6 at 10 (ITC Mar. 9, 2021); *see also Klein Tools, Inc. v. Milwaukee Electric Tool Corp.*, IPR2024-01400, Paper 22 at 2 (PTAB June 9, 2025) (determining on Director Review that “[t]he Board did not give enough weight to the lack of a stay, or the fact that a stay was unlikely, in the parallel [ITC] investigation”). There is no indication that the

ITC would depart from its standing practice here.

Fintiv factor 2: Factor 2 favors denial. The Board’s projected statutory deadline for issuing a FWD in this IPR is July 15, 2027. InterDigital filed an ITC complaint involving the ’877 patent on February 25, 2026. The median time from filing for the ITC to issue its initial determination is 14.7 months. EX2009. Thus, the ITC initial determination would likely issue by mid-May 2027—months before any final written decision in this IPR. *See* Revision to Rules of Practice Before the Patent Trial and Appeal Board, 90 Fed. Reg. 48341 (October 17, 2025) (proposed rules consider the timing of the ITC’s “initial or final determination” in evaluating whether to institute an IPR).

Even more relevant to this inquiry is that the ITC hearing is highly likely to occur months sooner. *Fintiv* instructs that “an earlier ITC *trial* date may favor exercising authority to deny institution ... if the ITC is going to decide the same or substantially similar issues.” *Fintiv*, 8 (emphasis added). And, under the Interim Process¹, the hearing date alone has been used to evaluate factor 2 based on a co-pending “ITC trial.” *See Taiwan Semiconductor Mfg. Co. v. Marlin Semiconductor Ltd.*, IPR2025-00848, Paper 11 at 2 (PTAB Sept. 3, 2025) (comparing the ITC *hearing* date to the final written decision due date and determining it is unlikely the

¹ Available at uspto.gov/patents/ptab/interim-director-discretionary-process

FWD would issue “*before the ITC trial occurs*” (emphasis added)). Institution of an IPR under these circumstances—when the ITC trial involving the ’877 patent is highly probable to occur *at least five months prior* the issuance of a decision by the Board—would not be consistent with the AIA’s objective to provide an effective and efficient alternative to litigation. *Accord NHK Spring Co., Ltd. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 20 (PTAB Sept. 12, 2018) (precedential).

Fintiv factor 3: Although the ITC investigation is in its early stages, when considered holistically with the other factors, particularly the lack of a stay and the inefficiencies created by having the cases proceed to final determination on parallel timing, this factor does not outweigh the other factors.

Fintiv factor 4: Even in view of Amazon’s *Sotera* stipulation (EX1068), filed over six weeks after the Petition, factor 4 does not favor institution. Indeed, Amazon’s stipulation does nothing to mitigate concerns of inefficiency or duplication of effort such that this “IPR proceeding[] would be a ‘true alternative’ to the [ITC or] the district court.” *See Motorola Sols., Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19 at 3-4 (PTAB Mar. 28, 2025) (on Director Review, vacating institution decision and denying under *Fintiv*).

Amazon is not a party to the current ITC or district court proceedings involving the ’877 patent, and therefore its stipulation has no effect on those proceedings. And Amazon’s stipulation does not prevent them, for example, from

raising combinations of the asserted art with “unpublished system art,” “which [Amazon’s *Sotera*] stipulation is not likely to moot,” in any future proceeding. *Id.*; *see also Cisco Sys., Inc. v. WSOU Invs. LLC*, IPR2025-00188, Paper 14 at 2-3 (PTAB Aug. 22, 2025) (on Director Review, vacating institution decision, denying under *Fintiv*; the petitioner’s *Sotera* stipulation did not prevent reliance in district court on unpublished system art in combination with prior art asserted in the IPR).

Indeed, in view of the Federal Circuit’s decision in *Ingenico*, Amazon’s stipulation “not to pursue any grounds after institution in the district court that are within the scope of the statutory estoppel,” EX1068, is in essence completely ineffective at eliminating overlap between this IPR and parallel proceedings. *See Ingenico Inc. v. IOENGINE, LLC*, 136 F.4th 1354 (Fed. Cir. 2025). In *Ingenico*, the Federal Circuit held that “IPR estoppel ***does not preclude a petitioner from asserting the same prior art raised in an IPR*** in district court.” *Id.*, 1365-66 (emphasis added). In other words, a petitioner may rely on the same prior art “as evidence in asserting a ground that could not be raised during the IPR, such as that the claimed invention was known or used by others, on sale, or in public use.” *Id.*, 1366. Thus, under *Ingenico*, Amazon’s stipulation does not estop them from using the same prior art elsewhere. Factor 4, thus, does not favor institution.

Fintiv factor 5: Factor 5 is neutral, or at most weighs slightly against denial, because Amazon is not a respondent in the ITC proceeding. However, this factor

does not outweigh the other factors present here.

Fintiv factor 6: Factor 6 also favors denial because, as discussed below and more fully explained in the forthcoming POPR, the Petition fails to establish that the challenged claims are unpatentable over the Grounds asserted therein.

InterDigital asks the Director to consider the briefing presented in its POPR. *See* Interim Process, § II.C.i (patent owner may direct attention to an anticipated POPR and evidence for a discussion of the merits). Indeed, the Petition is based on art that was overcome during prosecution, and Amazon relies on improper gap filling by its expert in an attempt to paper over the weaknesses of the asserted references.

C. Discretionary denial is appropriate because the '877 patent is involved in multiple ongoing proceedings and was the subject of a number of prior proceedings.

Discretionary denial is further warranted, both because of the ongoing district court and ITC litigations, as well as the number of prior proceedings involving the '877 patent. When there are multiple ongoing district court proceedings, discretionary denial is appropriate to “reduce[] the chances of duplicative workloads and inconsistent outcomes.” *Comcast Cable Commc’ns, LLC v. Entropic Commc’ns, LLC*, IPR2025-00183, Paper 11 at 3 (PTAB June 25, 2025). The '877 patent is the subject of ongoing litigation between InterDigital and third parties at the ITC, and in both the Eastern District of Texas and the Northern District of Georgia. EX2002; EX2003; EX2008. It would not be an efficient, or

effective, use of PTAB resources to institute IPR in these circumstances.

Further, the '877 patent has been the subject of a prior EDNC proceeding and the 2023 ITC proceeding. EX2005; EX2006. As discussed above, the EDNC invested resources to evaluate, and ultimately deny, a challenge to the subject matter eligibility of the '877 patent. The ITC likewise spent significant resources on the prior investigation, including full briefing by the parties and ITC staff regarding obviousness in view of Fimoff, EX2020, 2-4—that proceeding was not terminated until *after* the hearing and post-hearing briefing were completed. *See In the Matter of Certain Electronic Devices, Including Smartphones, Computers, Tablet Computers, and Components Thereof*, Inv. No. 337-TA-1373, Order No. 60 (ITC Nov. 22, 2024). The number of prior proceedings involving the '877 patent is another reason institution of this IPR should be denied. *See Webgroup Czech Republic, A.S. v. Dish Tech. LLC*, IPR2025-00467, Paper 14 at 2-3 (PTAB July 16, 2025) (determining that the number of prior proceedings, including an ITC proceeding with respondents other than petitioner, favored discretionary denial).

D. Institution should be denied under 35 U.S.C. § 325(d) because the same art was previously before the Office and the Board.

The precedential *Advanced Bionics* decision sets forth a “two-part framework” for evaluating whether “the same or substantially the same prior art or arguments previously were presented to the Office” under 35 U.S.C. § 325(d).

Advanced Bionics, LLC v. Med-El Elektromedizinische Geräte GmbH, IPR2019-

01469, Paper 6 at 7-11 (PTAB Feb. 13, 2020) (precedential). Applying the *Advanced Bionics* framework here, the Director should deny institution because the Office has already performed a thorough examination and considered Wiegand and Davies during prosecution of the '877 patent. *See* Section III.

1. *Advanced Bionics* Part 1: The Petition presents the same or substantially the same art and arguments that were before the Examiner during prosecution.

The first part of the *Advanced Bionics* framework considers “whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office.” *Advanced Bionics*, IPR2019-01469, Paper 6 at 8. The Examiner already considered both Wiegand and Davies, the two primary references used in Grounds 2 and 3 of the Petition. Specifically, Wiegand and Davies were both cited in an IDS with just seven other references, along with a preliminary amendment submitted prior to any consideration of the application by the Examiner. EX1002, 2-11, 17-18. The Examiner signed the IDS, signifying that he considered the references, and issued the signed IDS with the first Office Action. EX1002, 187. Thus, part one of *Advanced Bionics* is met. *See Ecto World, LLC v. RAI Strategic Holdings, Inc.*, IPR2024-01280, Paper 13 at 5 (PTAB May 19, 2025) (precedential) (reference cited on an IDS satisfies prong one of *Advanced Bionics*).

2. *Advanced Bionics* Part 2: The Office committed no material errors during prosecution.

The second part of the *Advanced Bionics* framework considers “whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.” *Advanced Bionics*, IPR2019-01469, Paper 6 at 8. The IDS that cited Wiegand and Davies contained only seven additional references. EX1002, 17-18. Amazon cannot meet the high burden that should be required to show material error under circumstances when the IDS had only a limited number of references and was submitted very early in the prosecution (on the same date as the preliminary amendment), giving ample time for the Examiner to thoroughly consider these references.

To be sure, the Examiner committed no material errors that require correction at the PTAB. As described in Section III, the examination of the ’877 patent was very comprehensive, involving: (1) at least three searches of numerous CPC and US classifications and hundreds of queries; (2) three Office Actions on the merits; and (3) four rounds of claim amendments and remarks. Amazon thus cannot credibly allege that the Examiner’s prior-art searches or thoroughness of examination were inadequate.

Notably, Amazon’s challenges rely on the previously considered Wiegand and Davies references for the same element added by the last Applicant amendment to the claims and over which Applicant successfully distinguished the

references. In the Claim Amendment dated July 6, 2018, Applicant amended independent claims 1, 6, 11, and 13, to recite the claimed filters “being applied jointly.” EX1002, 274, 275-278. Applicant additionally submitted Remarks explaining that none of the cited art taught the claimed filters being applied jointly. EX1002, 280-282. The Examiner agreed and issued a Notice of Allowance. EX1002, 288-298. Despite the conclusion by the Examiner that this element is not taught by the prior art—which includes Wiegand and Davies—Amazon alleges in its challenges that a POSITA “would have understood that [the Wiegand and Davies] filters are ‘applied jointly.’” Pet., 56.

Fundamentally, Amazon’s challenge merely reflects its disagreement with the Examiner’s reasonable interpretation that the prior art did not disclose the recited filters being applied jointly. *Advanced Bionics* recognizes that “[i]f reasonable minds can disagree regarding the purported treatment of the art or arguments, it cannot be said that the Office erred in a manner material to patentability. At bottom, this framework reflects a commitment to defer to previous Office evaluations of the evidence of record unless material error is shown.” *Advanced Bionics*, IPR2019-01469, Paper 6 at 9. Here, the Director should defer to the Office’s previous evaluation and should reject Amazon’s improper attempt to challenge the ’877 patent over the same art previously considered by the Office.

3. Amazon should not be permitted to circumvent § 325(d) by including an additional Ground.

The Petition includes one additional challenge that does not rely upon Wiegand or Davies, but Amazon's clear attempt at an end-run around § 325(d) should not be permitted. Institution under these circumstances would eviscerate § 325(d) and force the Board to reconsider old art when no material error is shown. *See* 37 C.F.R. § 42.108(a) (when review is instituted, requiring the Board to institute on all grounds); *SAS Inst., Inc. v. Iancu*, 584 U.S. 357, 362 (2018). The Director should deny the additional challenge under *Chevron*, rather than permitting Amazon to dodge § 325(d). *Chevron Oronite Co. v. Infineum USA L.P.*, IPR2018-00923, Paper 9 (PTAB Nov. 7, 2018) (informative).

E. U.S. manufacturing considerations favor denial.

In determining whether to institute an IPR proceeding, the Director will also consider “the extent to which *any products* made, sold, or licensed by the patent owner that compete with the accused products *are manufactured in the United States*.” EX2018, 2. This consideration favors denial here. The '877 patent has been asserted against TCL and Hisense in the ITC. EX2008. The accused products include “smart televisions, monitors, and components and modules thereof,” sold in competition with InterDigital's existing licensees. EX2008, ¶¶3, 79; EX2019, 2-3. InterDigital has licensed many entities, including, e.g., Samsung, Sony, and LG to design, develop, manufacture, sell and distribute products that practice the '877

patent. EX2008, ¶¶102, 116, 144, 158; *see also* EX2006, ¶¶85, 102, 114 (2023 ITC Complaint, identifying that “InterDigital licensed Apple [and Vizio] to practice the [’877 patent] and design, develop, manufacture, sell and distribute” the licensed products in the United States). Indeed, certain products produced by these entities incorporate the accused functionality of the ’877 patent. *See* EX2008, ¶¶105-113. Significant research, development, and manufacturing activities related to these products occur in the United States. For example, Samsung entity SAS manufactures in Austin, Texas processors and chipsets used in the relevant products. EX2008, ¶¶131-132, 135.

F. Amazon improperly relies on expert testimony to fill gaps in the alleged prior art.

The Petition improperly uses alleged knowledge of a POSITA and state of the art to fill missing limitations in the grounds. The statutory basis for IPR limits unpatentability grounds to prior art “consisting of patents or printed publications.” 35 U.S.C. § 311(b). The corresponding regulation requires a petition to “specify where each element of the claim is found in the prior art patents or printed publications relied upon.” 37 C.F.R. § 42.104(b)(4); *also* 35 U.S.C. § 312(a)(3); EX2015 (Office guidance on proper application of Rule 104(b)(4)); *Henny Penny Corp. v. Frymaster LLC*, 938 F.3d 1324, 1331-32 (Fed. Cir. 2019). The Petition here fails to do this. Compounding this error, the expert testimony relied upon to fill these gaps is conclusory, and provides no analysis, evidence, or explanation.

For example, claim element 1[f] recites “*no resampled version of said reconstructed reference image is stored in the decoded picture buffer.*” In its analysis of this element as purportedly being obvious over Nakagawa and Sita (Ground 1), Amazon relies not on either of these two references, but only on expert testimony to support its allegation that “a POSITA *would have understood* that no resampled version of the reference image is stored back in memory.” Pet., 32 (emphasis added). Not only is this reliance on expert testimony improper, EX2015, it is also wrong for reasons that will be discussed in the POPR. Additional examples of improper reliance on expert testimony will be provided in the POPR, which InterDigital requests the Director consider when making the determination whether to discretionarily deny this IPR. *See* Interim Process, § II.C.i.

The Petition’s cursory and conclusory analysis falls well short of Amazon’s obligation to perform reasoned analysis—based on the references asserted in its challenges—and runs afoul of the Office guidance that compliance with Rule 104(b)(4) precludes reliance on expert testimony for claim limitations. EX2015. Accordingly, this is an additional reason the Director should deny institution.

V. CONCLUSION

Each of these reasons discussed herein, considered both independently and together, supports denial of the Petition. Patent Owner therefore respectfully requests that the Director exercise his discretion to deny institution.

Respectfully submitted,

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CERTIFICATE OF SERVICE (37 C.F.R. § 42.6(e))

I certify that the above-captioned **PATENT OWNER'S BRIEF ON
DISCRETIONARY DENIAL** and associated Exhibits 2001-2020 were served in
their entireties on March 16, 2026, upon the following parties via electronic mail:

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