

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMAZON.COM SERVICES LLC,

Petitioner

v.

INTERDIGITAL MADISON PATENT HOLDINGS, S.A.S.,

Patent Owner.

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

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

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1001	U.S. Patent No. 10,250,877 (“’877 Patent”)
1002	File History of the ’877 Patent
1003	Declaration of Dr. Joseph P. Havlicek in Support of Petition
1004	Dr. Joseph P. Havlicek CV
1005	Declaration of Dr. Clifford Reader
1006	Dr. Clifford Reader CV
1007	U.S. Patent No. 5,805,222 (“Nakagawa”)
1008	U.S. Application No. 2004/0150747 (“Sita”)
1009	Thomas Wiegand et al., <i>WD3: Working Draft 3 of High-Efficiency Video Coding</i> , JCTVC-E603 v.8 (June 27, 2011) (“Wiegand”)
1010	Thomas Davies, <i>Resolution switching for coding efficiency and resilience</i> , JCTVC-F158 v.4 (July 7, 2011) (“Davies”)
1011	U.S. Patent No. 6,628,714 (“Fimoff”)
1012	Joint Chart Setting Forth Parties’ Post-Hearing Claim Constructions, <i>In the Matter of Certain Electronic Devices, Including Smartphones, Computers, Tablet Computers, and Components Thereof</i> , Inv. No. 337-TA-1373 (Feb. 21, 2024)
1013	Kiran Misra, <i>AHG18/21: Absolute signaling for resolution switching</i> , JCTVC-G715 v.3 (Nov. 19, 2011) (“Misra”)
1014	U.S. Patent Application No. 2008/0089417 (“Bao”)
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1068	Stipulation Letter, dated February 23, 2026
1069	Complaint, <i>InterDigital, Inc. v. Amazon.com Services LLC</i> , No. 2:25-cv-00822 (E.D. Va. Dec. 18, 2025), ECF No. 1
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1072	Order, <i>InterDigital, Inc. v. TCL Indus. Holdings Co.</i> , C.A. No. 2:26-cv-101, ECF No. 10 (E.D. Tex. Apr. 15, 2026)
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I. INTRODUCTION

The Office should reach the merits of this IPR challenging U.S. Patent No. 10,250,877 (“’877 Patent,” EX1001). First, the Petition presents art that the Office never considered and that undermines the very reason for the ’877 Patent’s allowance; accordingly, the patent issued in error. Although the ’877 Patent is just over six years old, Petitioner had no reason to challenge it sooner. The patent has never been asserted against Petitioner and was not asserted against *anyone* until just three years ago. Petitioner and PO spent the years since that first assertion discussing a potential license to avoid this sort of challenge. When those discussions reached an impasse, however, Petitioner promptly filed this IPR. Under these facts, PO cannot reasonably claim settled expectations.

Second, although PO contends the *Fintiv* factors weigh in its favor, they do not. For this argument, PO relies exclusively on its assertions of the ’877 Patent against third parties *after* Petitioner initiated this proceeding. Each of those third-party assertions is in its infancy and has no connection to Petitioner. Furthermore, those cases are unlikely to reach trial before a final written decision (“FWD”) in this IPR.

Third, none of PO’s other arguments show discretionary denial would be appropriate here. PO relies on alleged expert gap filling and U.S. manufacturing of its licensees, but both arguments miss the mark, as discussed in detail below.

PO's discretionary denial request should therefore be denied, and this Petition should be referred for an institution decision on the merits.

II. BACKGROUND

PO is a Delaware entity incorporated for the apparent purpose of acquiring, asserting, and licensing patents in the digital-technologies field. PO reports that it holds over 38,000 patents and patent applications (EX2016, 4), including “over 3,500 patents and applications relating to current and developing codec technologies such as AVC, HEVC, VP9, AV1, and VVC.” EX1069. One of the patents PO began asserting in 2023 is the '877 Patent, although it has never been asserted against Petitioner.

III. THE OFFICE SHOULD REJECT PO'S DISCRETIONARY REQUEST

The '877 Patent is directed to video coding, and its purported point of novelty was to combine two well-known filters to have them applied “jointly” to reduce memory requirements. That feature, however, was already taught by several prior-art references—two of which are advanced in this IPR (Sita and Fimoff)—although none were located by the Examiner during prosecution. Faced with strong prior art, PO adopts a kitchen-sink approach to request discretionary denial of the petition, arguing based on settled expectations, *Fintiv*, *Advanced Bionics*, and U.S. manufacturing. But all of those arguments fail.

A. The petition presents new art and arguments that undermine the Office's original basis of allowance.

PO's §325(d) arguments are premised on a misunderstanding or a mischaracterization of the Petition. While PO concedes that only two of the five Petition references were before the Examiner during prosecution (listed in an IDS but never applied), PO incorrectly asserts that the Petition relies on those two references for the limitation that the Examiner found to be missing from the prior art during prosecution—i.e., that two well-known filters are “appl[ied] jointly.” On the contrary, as discussed below, the Petition relies on two references that were indisputably *not* before the Office for that teaching. PO's §325(d) argument falls apart with a correct reading of the Petition.

The Petition challenges claims 1, 4, 7, and 8 of the '877 Patent based on three obviousness grounds: (1) Nakagawa in view of Sita, (2) Wiegand in view of Davies and Fimoff, and (3) Wiegand in view of Davies and Sita. Pet., 3 (“Pet.”). When arguing §325(d), PO does not dispute that Sita, Fimoff, and Nakagawa are all new references that were never before the Office. Paper 11, 15 (“DD”). Nor does PO address the substance of those references. Instead, PO argues that discretionary denial is warranted because the Office already considered (but never applied) Wiegand and Davies (DD, 15-16), and neither teaches the “appl[ied] jointly” claim element. Pet., 11 (summarizing prosecution history, citing EX1002, 274-82, 294-97), 48-53, 55-57 (relying on Fimoff to applying two filters “jointly”), 72-75 (same

for Sita). According to PO, “Amazon alleges in its challenges that a POSITA ‘would have understood that [*the Wiegand and Davies*] filters are ‘applied jointly,’” (DD, 17 (original brackets; quoting Pet., 56 (emphasis added))). But that is not what the Petition says; rather, the Petition relies exclusively upon *Fimoff* and *Sita* for this teaching.¹ PO thus either misunderstands or misquotes the Petition.

A proper reading of the Petition demonstrates that discretionary denial is not warranted under the first part of *Advanced Bionics, LLC v. Med-El Elektromedizinische Gerate GmbH*, IPR2019-01469, Paper 6, 8-9 (Feb. 13, 2020) (precedential) because the Petition presents new secondary art that was never before the Office. *E.g.*, *Ceva Sante Animale S.A. v. Targan, Inc.*, IPR2024-00595, Paper 9, 11 (Aug. 5, 2024) (“The Examiner did not consider any combination involving Pierre because Pierre is not of record in the prosecution history. In its combination

¹ The full quote from the Petition reads: “A POSITA would have understood that *these filters* are ‘applied jointly’ in the context of the ’877 Patent (which appears only in the claims). During prosecution, the Applicant used the phrase ‘applied jointly’ to mean ‘applied using a single filter.’ *Fimoff* teaches that a single vertical filter would apply a resizing filter operation and motion compensation interpolation filter operation jointly as part of a ‘single operation.’” Pet., 56-57 (emphasis added) (internal citations omitted).

of [a reference before the Office] and Pierre, Petitioner asserts new, non-cumulative arguments”).

But even if the Petition presented the same art and arguments that were previously before the Office—which it does *not*—the second part of *Advanced Bionics* holds that discretionary denial under §325(d) may still be inappropriate if the Office materially erred during examination. *Advanced Bionics*, IPR2019-01469, Paper 6, 8-9. Here, the Examiner’s failure to identify Sita and Fimoff—each of which teaches the feature that the Examiner said was missing from the prior art—constitutes material error that further weighs against discretionary denial. Pet., 48-53, 55-57 (Fimoff), 72-75 (Sita). See *UATP IP LLC v. Slick Slide LLC*, PGR2024-00054, Paper 8, 38-39 (Apr. 8, 2025) (finding failure to combine a reference before the examiner with other pertinent references not before the examiner that taught the purported point of novelty constituted material error); *Microsoft Corp. v. ParTec Cluster Competence Ctr. GmbH*, IPR2025-00318, Paper 9, 2-3 (June 12, 2025); *Padagis US LLC v. Neurelis, Inc.*, IPR2025-00464-466, Paper 12, 3 (July 16, 2025) (informative).

And that is not all. Ground 1 of the Petition combines a new secondary reference (Sita) with another new primary reference (Nakagawa), meaning it is undisputed that no art in Ground 1 was ever before the Office. Pet., 12-39. PO characterizes this Ground as a mere attempt to “end-run around § 325(d)” (DD, 18),

but PO fails to address the Petition as a whole when PO ignores that every ground relies on at least one new reference as well as arguments that the Office never previously considered. *See Motorola Mobility LLC v. Largan Precision Co*, IPR2022-01172, Paper 10, 10 (Jan. 26, 2023); *Berkeley Lights, Inc. v. The University of British Columbia*, IPR2021-01249, Paper 9, 37 (Jan. 21, 2022) (declining to deny institution under § 325(d) where “the Examiner did not consider the same or substantially the same art and arguments raised in [three out of five] grounds.”). The Office should take up that new art to reconsider whether the ’877 Patent should never have been issued.

B. PO Has No Expectations that Individual Patents from its Sprawling Portfolio Will Not Be Challenged.

PO next argues that it has developed “strong settled expectations” in the validity of its patent because it was six years and nine months old when Petitioner filed the Petition. DD, 5. Even if the patent’s age allegedly created some expectation, PO’s assertion tactics for the ’877 Patent have nullified them.

The ’877 Patent spent the first four years of its life unasserted, sitting in a portfolio that, according to PO, numbers in the tens of thousands. EX2016, 4. In late 2023, however, PO asserted the ’877 Patent for the first time against Lenovo in both the district court and International Trade Commission (“ITC”). *Interdigital Inc., v. Lenovo (United States) Inc.*, No. 5:23-cv-493 (E.D.N.C. Sept 1, 2023); *Electronic Devices Including Smartphones, Computers, Tablet Computers, and Components*

Thereof, Inv. No. 337-TA-1373 (Sept. 5, 2023). Both cases settled in 2025, with the district court never reaching the merits of any §§102 or 103 defenses.²

Despite PO asserting the '877 Patent against a third party, Petitioner had no reason to challenge the '877 Patent at the time because it was engaged in mutual licensing discussions with PO. *See* EX2011, ¶¶4-5. And when those licensing discussions failed to produce mutually agreeable terms, in August 2025, Petitioner asked the U.K. High Court of Justice for England and Wales for assistance in setting reasonable and non-discriminatory terms for a license that Amazon *committed* to take.

In November 2025, however, PO launched a dozen retaliatory infringement actions against Petitioner all over the world.³ One of those suits included the

² The district court decided only that the '877 Patent was not patent-ineligible under §101. EX2004, 34-41.

³ *InterDigital, Inc. v. Amazon.com Svcs. LLC*, No. 2:25-cv-00822 (E.D. Va.); *InterDigital, Inc. v. Amazon.com Svcs. LLC*, No. 1:25-cv-01365 (D. Del.); *InterDigital, Inc. v. Amazon.com Inc.*, No. 7:26-cv-00064 (W.D. Tex.); *InterDigital VC Holdings, Inc. v. Amazon.com, Inc.*, No. 21 O 12112/25 (LG Munich); *InterDigital VC Holdings, Inc. v. Amazon.com, Inc.*, No. 21 O 14005/25 (LG Munich); *InterDigital VC Holdings, Inc. v. Amazon.com, Inc.*, No. 21 O 14917/25

European counterpart to the '877 Patent. *InterDigital Madison Pat. Holdings SAS v. Amazon Techs. Co.*, No. CFI_2045/2025 (Unified Pat. Court) (asserting EP2803191). In response, and within two months of the filing of those actions, Petitioner filed the Petition in this IPR, even though PO has never asserted the '877 patent against Petitioner.

1. PO's Worldwide, Portfolio Licenses Do Not Enhance its Expectations as to the '877 Patent.

Despite this history, PO contends not only that its settled expectations were “strong,” but also that they were further “enhanced” because it has licensed the '877 Patent to others. Yet PO does not identify a single licensee that has taken a license specific to the '877 Patent. DD, 5-6.

Instead, PO relies on several global-portfolio licenses including thousands of

(LG Munich); *InterDigital VC Holdings, Inc. v. Amazon.com, Inc.*, No. 21 O 25/26 (LG Munich); *InterDigital VC Holdings, Inc. v. Amazon.com, Inc.*, No. CFI_1376/2025 (Unified Pat. Court); *InterDigital VC Holdings, Inc. v. Amazon.com, Inc.*, No. CFI_1481/2025 (Unified Pat. Court); *InterDigital VC Holdings, Inc. v. Amazon.com, Inc.*, No. CFI_1482/2025 (Unified Pat. Court); *InterDigital Madison Pat. Holdings SAS v. Amazon Techs. Co.*, No. CFI_2045/2025 (Unified Pat. Court); *InterDigital VC Holdings, Inc. v. Amazon.com, Inc.*, No. 3021485.26.205.8.19.0001 (Rio De Janeiro).

patents, of which the '877 Patent purports to be just one among them. *Id.*; EX2012 (announcing a license to a “global patent portfolio, including InterDigital’s standard essential cellular, WiFi, and video patents”); EX2013 (announcing a license to “Wi-Fi and video decoding technologies”); EX2014, 1 (same); *see also* EX2006, ¶85 (identifying two companies as licensees, generally); EX2006, ¶102 (identifying companies whose licenses include the '877 Patent). PO’s global-portfolio licenses to presumably thousands of patents should not broadly insulate any patent in PO’s portfolio from post-grant review, as PO appears to argue here.

PO’s reliance on *Alliance Laundry Systems, LLC v. Payrange LLC*, IPR2025-00950, Paper 11 (Sept. 19, 2025) for support of this argument is misplaced. In *Alliance Laundry*, unlike here, the IPR at issue was the third post-grant petition challenging the patent after the first two had institution denied on the merits. *Id.*, 2. And the petitioner admitted to road-mapping from one of the prior petitions. *Id.* In its discretion request, Alliance Laundry (the PO) pointed to licenses with the two petitioners in the prior unsuccessful post-grant challenges and to a third company who issued a press release making positive statements about PO’s innovations. *See id.*, Paper 6, 3-4; *id.*, EX2001, 16-17. Under those specific facts (which were much more pertinent), the Acting Director found PO’s licensing created only “*some* settled expectations favoring Patent Owner.” *Id.*, Paper 11, 3 (emphasis added). No such facts are present in this IPR.

2. Prior Litigations That Reached §101 On the Merits, But Not §102 or §103, Do Not Enhance PO's Alleged Settled Expectations.

PO also argues that its 2023 assertion of the '877 Patent against Lenovo further enhanced its settled expectations (DD, 6-7), but no such expectations were set because no tribunal reached the merits of a §§102 or 103 challenge.

The only challenge to the '877 Patent to have reached a merits decision in district court was patent-eligibility under §101. *Id.* (citing EX2004, 34-41). But a §101 challenge cannot be raised in IPR (35 U.S.C. §311(b)), and PO does not point to any authority that surviving a §101 challenge somehow creates settled expectations regarding the validity of the '877 patent. *See SAP Am., Inc. v. InvestPic, LLC*, 898 F.3d 1161, 1163 (Fed. Cir. 2018) (explaining it is not “enough for subject-matter eligibility that claimed techniques be novel and nonobvious in light of prior art, passing muster under 35 U.S.C. §§ 102 and 103”); *Synopsys, Inc. v. Mentor Graphics Corp.*, 839 F.3d 1138, 1151 (Fed. Cir. 2016) (“[A] claim for a new abstract idea is still an abstract idea. The search for a § 101 inventive concept is thus distinct from demonstrating § 102 novelty.”); *Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1315 (Fed. Cir. 2016) (same for obviousness).

PO nevertheless argues that prior-art invalidity was *at issue* during the 2023 ITC proceedings. DD, 7. But even there, PO concedes that the ITC did not reach invalidity on the merits because it was “withdrawn” by the parties before it could be

decided. *Id.* Prior-art challenges that fail to reach the merits should not create any settled expectations as to the validity of the patent. *Cf. Siemens Gamesa Renewable Energy, Inc. v. Gen. Elec. Co.*, IPR2022-01479, Paper 11, 11-12 (Mar. 7, 2023) (declining to invoke discretionary denial “[b]ecause none of the prior proceedings resulted in a final written decision” and thus “this will be the first proceeding to determine the merits”).

3. The Parties’ Negotiation History Created No Settled Expectations Either.

Finally, PO points to the parties’ negotiation history, asserting that “InterDigital undertook significant efforts over the course of several years in attempting to find a mutually agreeable solution,” but “[i]nstead, Amazon initiated worldwide litigation and filed this IPR.” DD, 5. Not only is that a mischaracterization of the history, but it also fails to explain how an unsuccessful license negotiation creates any settled expectations regardless.

If PO is arguing that its alleged preference for licensing somehow creates settled expectations, that is incorrect and irrelevant. To start, Petitioner has been willing to negotiate licenses with InterDigital and has previously done so. EX1070, 32 (referencing agreement covering range of Amazon’s consumer electronic devices). In the most recent negotiations, however, the parties could not agree on terms, so Petitioner filed an action in the U.K. committing to agree to a license, but asking the U.K. Court to help resolve the dispute over the license’s terms. In

response, PO filed a dozen retaliatory actions. *See supra*, n.3.

Indeed, PO has a well-demonstrated history of licensing-through-litigation, undercutting its purported preference for licenses through “mutual agreement ... without resort to litigation.” DD, 7; *see, e.g., InterDigital Tech. Corp. v. Lenovo Grp. Ltd.*, [2023] EWHC 539 (Pat) ¶ 919 (“Of the [seven InterDigital licenses relied on by Lenovo], only Apple 2016 and ZTE 2019 were not preceded by litigation, in both cases for reasons particular to their respective situations.”); *id.* at ¶ 729 (InterDigital “is not shy of litigating, and most of the time, it is able to choose the forum in which it brings the claim”); IPLytics, *SEP Litigation Trends: What Does the Data Say?* at 5-6 (Apr. 2021), https://www.lexisnexisip.com/wp-content/uploads/2023/09/SEP-litigation-trends-_What-does-the-data-say_IPLYtics.pdf (InterDigital had fifth highest share of litigated declared SEPs). PO’s preference for litigation-driven licensing is bearing out once again here, and PO should fully expect that its tactics would result in challenges to the validity of its patents when licensing negotiations fail, regardless of their age.

On this record, PO cannot credibly claim it has settled expectations such that this IPR should be denied on discretionary grounds.

C. The *Fintiv* Factors Weigh Against Denial

PO also seeks to insulate itself from IPR under *Fintiv* by relying on assertions of the ’877 Patent against third parties that were filed after this Petition. DD, 9. The

Fintiv factors do not provide PO any cover here.

This Petition was filed on January 9, 2026. Paper 1. A month later, on February 9, 2026, PO filed two actions in federal district court—one in Georgia and another in Texas—asserting the '877 Patent against third parties Hisense and TCL. *See InterDigital, Inc. v. Hisense Co.*, C.A. No. 1:26-cv-754 (N.D. Ga.); *InterDigital, Inc. v. TCL Indus. Holdings Co.*, C.A. No. 2:26-cv-101 (E.D. Tex.). Later in February 2026, PO filed an additional action against those same third parties in the ITC. *Certain Video-Capable Electronic Devices, Including Smart Televisions, Monitors, and Components Thereof*, Inv. No. 337-TA-1495 (Feb. 26, 2026). Those later-filed proceedings do not support discretionary denial of this IPR.

1. Factor 1: The Likelihood of a Stay Is Neutral

Factor 1 is, at worst, neutral. The proceedings in the Northern District of Georgia and Eastern District of Texas have already been stayed pending resolution of the ITC action. EX1071; EX1072.

That leaves the ITC action, which is also in its infancy because it was not even instituted until April 2, 2026, with no schedule having yet been set. EX1073. “In the absence of specific evidence,” the Board “will not attempt to predict” how the parallel litigation will proceed, and this factor is at worst neutral. *Sand Revolution II, LLC v. Cont’l Intermodal Grp.-Trucking LLC*, IPR2019-01393, Paper 24, 7 (June 16, 2020) (informative).

2. Factor 2: The ITC Action Was Filed After the Petition Against a Third Party and Has No Target Date Set

This factor is, at worst, neutral, but should not be credited based on the facts of this case.

A FWD in this IPR is expected no later than July 15, 2027. There is no co-pending action involving Petitioner that could possibly reach a merits decision sooner.

Instead, PO relies on the ITC action it brought against third parties a month *after* this Petition was filed. To start, the Office should not endorse a PO shielding its patents from IPR by filing after-petition actions against third parties. But even if the Office were to consider the timing of PO's third-party ITC action, the statistics suggest a *median* time to an initial determination is around the same time as the FWD (EX2009), and this factor is at worst neutral, as it is just as likely an initial determination would come after. *See, e.g., Caption Health, Inc. v. Univ. of British Columbia*, IPR2025-01066, Paper 13, 2 (Oct. 10, 2025) (determining trial date “neither favor[ed] nor counsel[ed] against discretionary denial” where FWD was due in December 2026 and statistics suggested trial could occur in close proximity to FWD). Furthermore, no schedule has been set in the third-party ITC action, so the timing of any hearing or determination is speculative. Either way, it should not be dispositive. *See Samsung Elecs. Co. v. Sionyx, LLC*, IPR2024-01431, Paper 21, 13 (Apr. 10, 2025) (granting institution despite an ITC target date set three months

before FWD), and the material error during prosecution (discussed above) overrides any hearing date, *see, e.g., Padagis*, IPR2025-00464-466, Paper 12, 3 (informative).

3. Factor 3: There Has Been No Investment To-Date in the Third-Party Actions

This factor weighs against denial because there has been no investment by anyone in any of the third-party actions upon which PO relies. The Northern District of Georgia and Eastern District of Texas actions were immediately stayed, and the ITC action instituted just weeks ago. EX1071; EX1072; EX1073; *see, e.g., All. Laundry Sys., LLC v. PayRange LLC*, PGR2025-00027, Paper 11, 2 (July 17, 2025) (referring petitions and noting “there has been relatively little investment”).

4. Factor 4: There Is No Identifiable Overlap To-Date in the Third-Party Actions

This factor weighs against denial (or is at worst neutral) because there is no indication whether any overlap exists between this IPR and the third-party actions. No action has reached a point where invalidity and prior-art identifications have occurred, and Amazon has no control over the art and arguments that third parties may advance in other proceedings. And even if PO later asserts the ’877 Patent against Petitioner, Petitioner would submit a *Sotera* stipulation as it has done prior to eliminate any potential overlap. *See, e.g., Amazon.com Svcs. LLC v. Interdigital, Inc.*, IPR2026-00192, Exhibit 1021 (Feb. 23, 2026).

5. Factor 5: Petitioner is Not a Party to the Third-Party Actions

This factor weighs heavily against discretionary denial. Petitioner is not a

party to any of the third-party actions, and the '877 Patent is not asserted in any forum against Petitioner. *Nokia of Am. Corp. v. Iarnach Techs. Ltd.*, IPR2024-00899, Paper 19, 62 (Dec. 13, 2024).

6. Factor 6: Other Circumstances Weigh Against Denial

This factor also weighs against discretionary denial.

As explained in §III.A, there are compelling reasons for the Office to decline to discretionarily deny this IPR, and this factor thus weighs against denial. PO contends this factor favors denial because the “Petition fails to establish that the challenged claims are unpatentable over the Grounds asserted.” DD, 13. Aside from pointing to its forthcoming POPR without explanation, PO argues the Petition relies on multiple “ongoing” third-party actions and *past* proceedings that failed to reach the merits, along with expert gap filling. DD, 13-14, 19-20. But as discussed above, this is incorrect; neither the ongoing third-party actions nor past proceedings are relevant to the merits of this Petition because the ongoing actions do not involve Petitioner and are in their infancy, and the past actions never addressed any prior-art challenge to the '877 Patent. *See* §§III.B.2, III.C.1-III.C.5.

Nor is there any gap filling. As to claim limitation 1[f], PO argues that Petitioner relies on its expert to conclude that “no resampled version of said reconstructed reference image is stored in the decoded picture buffer.” DD, 20

(citing Pet., 32).⁴ That is incorrect. The Petition cites numerous passages from both Nakagawa and Sita—including showing that Nakagawa supplies a reference image to a resampling module without sending the result back to memory, and Sita shows the same, as well as provides combined resampling/interpolation equations to obviate the need to store resampled pixels to memory—to support *why* a POSITA would have understood that Nakagawa’s and Sita’s disclosures teach 1[f]. Pet., 32-33 (citing Nakagawa, 6:15-34, Fig. 2; Sita, Fig. 2B; EX1003, ¶190, citing analysis of 1[d]). That is not expert gap filling; it is an expert offering opinions as to “what [a prior art]’s teachings would indicate to a skilled artisan,” which is entirely proper. *Embody, Inc. v. Lifenet Health*, IPR2025-00249, Paper 13, 26 (Aug. 5, 2025) (finding it is not impermissible gap filling for an expert to explain a property of a

⁴ PO expresses its intent to identify other alleged examples of expert gap filling in its POPR and requests the Director consider those examples in deciding whether to discretionarily deny institution. *Id.*, 20 (citing Interim Process, § II.C.i). The portion of the Interim Process PO cites, however, relates to arguments directed to the strength of the merits, not the “extent of the petition’s reliance on expert testimony,” which is a separate factor. The Director should disregard any POPR arguments on this factor because Petitioner will have no opportunity to respond to them (absent being authorized a preliminary reply which Petitioner reserves the right to request).

feature disclosed in the prior art); *Yealink (USA) Network Tech. Co. v. Barco N.V.*, IPR2025-00491, Paper 20, 28 (July 29, 2025).

D. PO Is Not Entitled to the Benefit of U.S. Manufacturing Considerations

Lastly, PO seeks to take advantage of a new factor issued by the Office: “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. As the Director explained, the purpose of this new consideration is to address the outsourcing of the “United States’s existing manufacturing base,” the “significant economic and national security damage this trend has caused,” and to “protect American manufacturers and small businesses.” *Id.*, 1-2.

PO identifies nothing entitling it to the benefits of this new consideration. PO does not identify any accused products made by Petitioner—which is unsurprising since PO has not asserted the ’877 Patent against Petitioner. DD, 18-19. Instead, PO relies on products made by TCL and Hisense that have no connection to Petitioner. *Id.* Nor does PO identify any actual products manufactured in the United States that compete with TCL’s and Hisense’s accused products, but rather points to several (foreign) portfolio licensees, including Samsung, Sony, and LG. *Id.* Indeed, the only support PO can muster that its licenses encourage U.S. manufacturing are unproven allegations that PO makes in its ITC complaints against TCL and Hisense. *Id.*, 19 (citing EX2008, ¶¶105-13, 116, 131-32, 135, 144, 158). Yet even if PO had

identified U.S.-manufactured and foreign-competitive products with specificity, PO makes no attempt to explain how the '877 Patent encourages U.S. manufacturing at all. PO's argument is thus unavailing.

IV. CONCLUSION

There are persuasive reasons to reach the merits of this IPR, and PO's request for discretionary denial should be denied.

Dated: April 15, 2026

Respectfully submitted,
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that true copies of Petitioner's Opposition to Patent Owner's Request for Discretionary Denial and EXHIBITS 1069 – 1073 were served upon the below listed counsel by electronic mail:

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