

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., LTD.,
Petitioner,

v.

MOJO MOBILITY INC.,
Patent Owner.

Case IPR2023-01093
Patent 11,201,500

PETITIONER'S REQUEST FOR DIRECTOR REVIEW

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I. INTRODUCTION

In October 2022, Patent Owner Mojo Mobility Inc. (“Mojo”) sued Petitioner Samsung Electronics Co., Ltd. (“Samsung”) in the Eastern District of Texas, asserting seven patents. In June 2023, four months after Mojo asserted nearly one hundred claims in its infringement contentions, Samsung filed IPR petitions challenging those claims, including the ones at issue here. After denying Samsung’s request to rebut Mojo’s merit arguments in its preliminary reply, the panel here, over a vigorous dissent, denied institution under *Fintiv*. Three days later, a different Board panel rejected the same *Fintiv* challenge based on an identical procedural record, and instituted review of one of the other asserted patents. The two panels’ treatment of the relevant *Fintiv* factors—including Samsung’s *Sotera*-like stipulation—is at war with each other. The Director must intervene to correct the Board’s abuse of discretion in denying review here, to restore consistency in the Board’s *Fintiv* decisions, and to clarify the proper weight of *Sotera*-like stipulations.

First, the Board majority’s denial of institution here cannot be reconciled with the decision by a different Board panel to institute review of a related patent in other *simultaneously* filed IPRs between the *same* parties involving the *same* parallel infringement litigation, the *same* petitioner stipulation, and substantially the *same* *Fintiv* arguments. Here, the Board erroneously concluded that *Fintiv* factors 1-5 weigh against institution of review of U.S. Patent No. 11,201,500 (“500 patent”).

But in two IPRs challenging U.S. Patent No. 11,292,349 (“’349 patent”)—asserted in the *same* district court action—the Board found (as did the dissent here) that *Fintiv* factors 1-5 do not weigh against institution. By issuing two inconsistent decisions assessing the same *Fintiv* factors based on the same underlying facts, the Board acted arbitrarily and capriciously, and therefore abused its discretion. Director review is needed to correct the error and restore consistency. The Board’s faulty assessment of the factual record and erroneous weighing of the *Fintiv* factors demonstrate its abuse of discretion. The Board misapprehended the status of investments in the litigation, incorrectly discounted the non-overlapping claims created by Mojo’s later narrowed infringement contentions, and improperly precluded Samsung from addressing Mojo’s merit arguments on which the Board relied for *Fintiv* factor 6.

Second, Director review is needed to provide authoritative guidance on an important issue of law and policy—namely, the weight to be accorded to stipulations under *Fintiv* that are similar, but not identical, to a *Sotera* stipulation. Here, Samsung stipulated not to pursue an invalidity defense in the parallel district court litigation based on (i) any of the same instituted grounds or (ii) any prior art reference that forms the basis of any instituted ground, thereby mitigating concerns relating to overlapping grounds, arguments, and evidence. The panel majority erroneously discounted Samsung’s stipulation because it did not exactly mirror a *Sotera* stipulation, in direct contradiction to the significant weight accorded to the same

stipulation by the '349 patent IPR panel (and the dissent here). The Director should grant review to clarify the proper weight to be accorded to such stipulations.

II. FACTUAL BACKGROUND

On October 7, 2022, Mojo commenced an infringement action against Samsung and Samsung Electronics America, Inc., asserting seven patents, including the '500 and '349 patents. *See Mojo Mobility Inc. v. Samsung Electronics Co.*, No. 2-22-cv-00398 (E.D. Tex.) (“Texas Litigation”). On February 28, 2023, Mojo served its infringement contentions asserting nearly one hundred claims. (Exs. 1018, 1022; Paper 1, 1; Paper 8, 5.) On June 27-30, 2023, four months after receiving Mojo’s contentions, Samsung sought IPR of all asserted claims, including those of the '500 and '349 patents. (*See* Paper 1 at 1-3; IPR2023-01091, Paper 1 at 1-3; IPR2023-01092, Paper 1 at 1-4; IPR2023-01089, Paper 1; IPR2023-01090, Paper 1.)

On October 12, 2023, Mojo filed its preliminary response, seeking denial of review under *Fintiv*. (Paper 7.) Less than a month later, in response to the district court’s order (Ex. 1202), Mojo significantly narrowed its asserted claims to *thirty-two* (Ex. 1201, 1) and must further reduce them to no more than *sixteen* by February 12, 2024 (Ex. 1202, 2). Consequently, claim 4 at issue in this IPR will not be addressed in the Texas Litigation. (*See* Ex. 1022, 2; Ex. 1201.)

Samsung sought to file a reply “to respond to Patent Owner’s arguments relating to discretionary denial, including ... prior art arguments pertaining to the

merits of the asserted grounds (which Patent Owner relies on for *Fintiv* factor 6).¹

The Board permitted only a 5-page reply “limited to addressing factors 1-5 of the *Fintiv* factors,” and specifically stated that Samsung “is not authorized to address arguments pertaining to the merits or *Fintiv* factor 6.” In its reply, Samsung offered a revised stipulation that it will not pursue an invalidity defense in the parallel litigation based on (i) any of the same instituted grounds or (ii) any prior art reference that forms the basis of any instituted ground. (Paper 8 at 2-3.)

On January 8, 2024, a divided Board panel denied institution, the majority finding that *Fintiv* factors favor discretionary denial. (Paper 11.) The majority found that factor 1 was neutral, and factors 2-3 and 5 weighed against institution. (*Id.* at 9-18.) The majority opined that the Texas Litigation was sufficiently advanced, with trial scheduled about five months before the projected deadline for final decision here. (*Id.* at 12–14.) The majority discounted the lack of claim overlap resulting from Samsung’s stipulation and Mojo’s narrowing of asserted claims to give factor 4 only minimal weight. (*Id.* at 14-18.) The majority reasoned that Samsung’s stipulation (*see* Paper 8 at 2-3; Ex. 1203) did not reduce the claim overlap “as fully as would a *Sotera* stipulation” and thus “[did] not remove” all of the “concerns of duplicative efforts between the district court and the Board.” (Paper 11 at 17-18.)

¹ If requested, Samsung can provide a copy of the correspondence with the Board.

Despite denying Samsung’s request to address the merits in its preliminary reply, the majority offered a twenty-page assessment of the petition’s merits to find no compelling evidence of unpatentability under *Fintiv* factor 6. (*Id.* at 18-42.)

Judge Szpondowski dissented. She found that “[o]n balance ... *Fintiv* factors 1-5 do not favor discretionary denial.” (*Id.*, at 54; *see also id.*, at 44-54.) Specifically, Judge Szpondowski determined that “Petitioner’s stipulation, reasonable diligence in filing the Petition, and the limited extent of the parties’ and district court’s investment in the district court litigation outweigh the projected trial date.” (*Id.* at 54.) She noted that, because of Samsung’s stipulation, prior art challenges in this proceeding would not be addressed in the district court litigation. (*Id.* at 49-52.) Given that factors 1-5 weighed against denial, Judge Szpondowski did not address factor 6. (*Id.* at 53-54.)

Three days after the majority’s decision in this proceeding, on January 11, 2024, the Board in IPR2023-01089 and IPR2023-01090 unanimously instituted review of the ’349 patent after considering *Fintiv*. *See* IPR2023-01089, Paper 11; IPR2023-01090, Paper 11.² Echoing the dissent’s reasoning here, the Board’s

² On February 6, 2024, a different Board panel discretionarily denied institution under *Fintiv* in IPR2023-01096 and -01098 challenging two other patents asserted in the same Texas Litigation.

decisions in those IPRs (authored by Judge Szpondowski) found that “Petitioner’s stipulation, reasonable diligence in filing the Petition, and the limited extent of the parties’ and district court’s investment in the district court litigation outweigh the projected trial date.” *E.g.*, IPR2023-01089, Paper 11 at 24-25.

III. LEGAL STANDARD

Director review of an IPR institution decision is warranted where the decision presents (a) an abuse of discretion or (b) important issues of law or policy. Revised Interim Director Review Process § 2.B (U.S.P.T.O. updated Jan. 19, 2024). “[R]elated cases will necessarily be erroneous ... where a panel simultaneously issues opinions on the same technical issue between the same parties on the same record, and reaches opposite results without explanation.” *Vicor Corp. v. SynQor, Inc.*, 869 F.3d 1309, 1322 (Fed. Cir. 2017); *see also Lakeshore Broad., Inc. v. FCC*, 199 F.3d 468, 476 (D.C. Cir. 1999) (inconsistent adjudication “constitute[s] arbitrary treatment amounting to an abuse of discretion”) (citation omitted).

IV. ARGUMENT

A. The Board Abused Its Discretion by Arbitrarily Finding, in Direct Conflict with the Decision of Another Board Panel, that the *Fintiv* Factors Weigh Against Institution

1. The Board’s Denial of Institution Created an Irreconcilable Conflict with the Institution of Review of the ’349 Patent

Director review is needed because the Board’s decision here cannot be reconciled with the decisions instituting review of the ’349 patent in light of *the same*

parallel district court litigation. Both sets of proceedings share the same fundamental history. Mojo asserted the '500 and '349 patents against Samsung in the same litigation; served its infringement contentions for these patents on the same date (Ex. 1022); reduced its asserted claims for each patent on the same date (Ex. 1201; Ex. 1202); and the projected trial date is the same for both patents. *See supra* § II. Samsung filed the '500 patent and '349 patent IPRs within days of each other in June 2023, and included the same stipulation as to both patents. (*See* Paper 1 at 82-86, Paper 8; IPR2023-01089, Paper 1 at 90-96, Paper 8.)

The Board nevertheless reached diametrically opposing results in its *Fintiv* analysis in the '500 and '349 IPRs, denying review in one but instituting review in another. And the Board's assessment of the relevant *Fintiv* factors in the two sets of proceedings cannot be reconciled with each other. The Board's reasoning in the '349 IPR rejects many reasons for denying review proffered by the Board majority in this IPR, and instead aligns with the dissent's analysis here. Where an agency issues inconsistent decisions based on the same record, it behaves arbitrarily and abuses discretion. *Vicor Corp.*, 869 F.3d at 1322; *Lakeshore*, 199 F.3d at 476.

In the '349 IPRs, the Board found that factor 3 weighs against discretionary denial. (*See, e.g.*, IPR2023-01089, Paper 11 at 18–20.)³ The '349 IPR Board

³ The ID in IPR2023-01090 adopts the same *Fintiv* analysis as in IPR2023-01089.

explained that “considerable effort remains to be completed,” as “[f]act discovery” and “claim construction [are] ongoing, expert discovery has not yet begun, ... and dispositive motions are due April 29, 2024.” (*Id.* at 19.) The Board also found “no evidence ... that the district court has issued any substantive orders relating to the ’349 patent.” (*Id.* at 19–20.) In contrast, here the Board majority asserted that factor 3 weighs against institution because the same parallel litigation has ostensibly “already advanced well beyond the pleadings stage” and “[f]act discovery is well underway.” (Paper 11 at 13–14.) The Board here did not weigh these facts against others mitigating investments in the Texas Litigation when assessing factor 3.⁴ Yes, as the dissent noted, fact discovery and claim construction were similarly ongoing, “expert discovery has not yet begun,” and the district court has not issued any substantive orders. (Paper 11 at 47-48.)

⁴ The Board leveraged investments in the Texas Litigation that will occur before institution decisions issue in the “second set” of IPRs filed by Samsung against the asserted patents. (Paper 11 at 13-14.) But the delayed projected institution dates in those IPRs are a result of the Board’s own delay in issuing filing date notices (which trigger preliminary response due dates). *See e.g.*, IPR2023-01086, Paper 1 (petition filed June 27, 2023); *id.*, Paper 5 (filing date notice issued August 18, 2023).

The Board also improperly discounted (without explanation) Samsung's diligence in filing its petition within four months of Mojo's infringement contentions asserting nearly one hundred claims. (Paper 11 at 12-13.) That finding, too, is in direct conflict with the Board's conclusion in the '349 IPRs. There, "given the number of claims asserted against Petitioner across seven patents in the district court litigation, as well as the length of some of the claims," the Board found that Samsung was "diligent in filing the Petition ... within four months of service of infringement contentions, ... ," and credited that diligence in concluding that *Fintiv* factor 3 weighted against discretionary denial. (IPR2023-01089, Paper 11 at 19-20; *see also* Paper 11 at 48.) That two Board panels came to diametrically opposed conclusions in their assessment of *the same facts* shows why Director Review is needed here.

The Board reached similarly divergent conclusions with respect to *Fintiv* factor 4. Both the '500 and '349 IPRs involved the same stipulation offered by Samsung. (Paper 8 at 2-3; Ex. 1203; IPR2023-01089, Paper 8 at 2-3; *supra* § II.) Here, the Board asserted that the stipulation did not "remove" duplicative effort concerns, as claims challenged in this IPR proceeding are common to claims asserted in the Texas Litigation, and so found that factor 4 "weighs only slightly" against institution denial. (Paper 11 at 17-18.) In contrast, in the '349 IPR, the Board found that the stipulation "has effectively removed *any potential issue overlap* with the district court litigation," and thus determined that factor 4 weighs against

discretionary denial. (IPR2023-01089, Paper 11. at 20–23 (emphasis added).) Again, the two panels’ reasoning—offered with respect to the same stipulation—cannot be reconciled.

The Board’s incorrect assessment of Samsung’s stipulation infected its analysis of *Fintiv* factor 4. The Board erroneously focused on overlapping claims while ignoring issues pertaining to overlapping grounds, arguments, and evidence. *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 12-13 (P.T.A.B. Mar. 20, 2020); *see also Facebook, Inc. v. BlackBerry Ltd.*, IPR2019-00899, Paper 15 at 12 (P.T.A.B. Oct. 8, 2019) (cited in *Fintiv*) (using different prior art in the petition than in the district court to address the same overlapping claim weighed in favor of institution). The only claims in this IPR that currently overlap with the Texas Litigation (claims 2 and 18) were challenged in Grounds 1 and 3 over specific prior art. (Paper 1 at 2-3, 6, 77.) In contrast, Ground 2 of the Petition challenges claim 4 (withdrawn from the Texas Litigation) is based on *different rationale and prior art combinations from Grounds 1 and 3*. (Paper 1 at 2-3, 70-76.) The Board erred in failing to consider that the different prior art, arguments, and/or evidence presented for non-overlapping claim 4 heavily support institution under factor 4.

The Board improperly minimized the fact that challenged claim 4 will not be addressed in the Texas Litigation and that Samsung’s stipulation removed duplicative effort concerns. *See, e.g., Apple, Inc. v. Gesture Tech. Partners,*

IPR2021-00920, Paper 12 at 25 (P.T.A.B. Dec. 6, 2021) (“As there is not complete overlap of challenged claims, this weighs against exercising our discretion to deny institution.”). As the Board’s ’349 decision and the dissent here explained, Samsung’s stipulation “has effectively removed any potential issue overlap with the district court litigation.” (IPR2023-01089, Paper 11 at 22; Paper 11 at 51.) The Board abused its discretion in not attributing the proper weight to this factor given the presence of non-overlapping issues (claims, arguments, and evidence) and the impact of Samsung’s broad stipulation.

In considering claim overlap, the Board improperly focused on claims that remain “before the district court” would be “re-considered by the Board.” (Paper 11 at 15.) That makes no sense. It will always be the case that “all of the ... patent claims before the district court” (*id.*) will be considered by the Board where a petitioner faced with an infringement suit files IPRs against all of the asserted claims and the patent owner later withdraws some of those claims from the litigation—as was done here. The Board’s rationale is unreasonable, and constitutes an abuse of discretion.

The Board also abused its discretion in concluding that *Mojo*’s stipulation to “not to assert infringement” of any of its withdrawn claims “diminishes the significance of the non-overlapping claims.” (Paper 11 at 15-16.) The Board cited no authority to support the notion that risk of infringement of non-overlapping

claims is required to tilt *Fintiv* factor 4 more in favor of institution. Indeed, there is no standing requirement in IPRs (*see* 35 U.S.C. § 311(a)) or other authority precluding the PTAB from instituting IPRs based on petitions filed by entities that may have no risk of infringement of a challenged patent. In contrast, the '349 IPR Board “d[id] not see any significance to Patent Owner’s stipulation not to resurrect claims that have already been withdrawn from the district court litigation,” and doubted whether “this would even be permitted by the district court.” (IPR2023-01089, Paper 11 at 23; *see also* Paper 11 at 52.) Again, the two sets of Board decisions are in direct conflict.

Fintiv factor 2 (proximity of court’s trial date) should be afforded very little weight in this case. Samsung’s prompt filings within months of Mojo’s infringement contentions, addressing numerous (~100) and lengthy asserted claims, along with the relative strength of factors 3 and 4, decrease the significance of factor 2. Indeed, the Board in the '349 patent IDs recognized as much, in contrast with the ID here. (*See* IPR2023-01089, Paper 11 at 16–25; Paper 11 at 12-13.)

The Board’s analysis of the first five *Fintiv* factors here cannot be reconciled with the Board’s analysis of those factors *based on a nearly identical record* in the '349 IPR. “[A]n agency action is arbitrary when the agency offers insufficient reasons for treating similar situations differently.” *RHP Bearings v. United States*, 288 F.3d 1334, 1347 (Fed. Cir. 2002) (citation omitted). Consistency in adjudication

is crucial to ensuring “consistency and predictability in the law,” and promoting public trust in the legal process. *In re Owens-Corning Fiberglas Corp.*, 774 F.2d 1116, 1129 (Fed. Cir. 1985); *see also Pfizer v. Apotex Inc.*, 488 F.3d 1377, 1380 (Fed. Cir. 2007). Conflicting decisions by the Board—such the Board’s irreconcilable *Fintiv* analysis in the ’349 and ’500 IPRs—create confusion and uncertainty, imperiling the public trust in the agency’s reasoned decision-making. Director should grant review, correct the Board’s abuse of its discretionary authority to deny institution, and restore uniformity to the Board’s *Fintiv* jurisprudence.

2. The Board Abused Its Discretion in Forbidding Samsung to Address Mojo’s Arguments Regarding *Fintiv* Factor 6

The Board also abused its discretion in summarily precluding Samsung from addressing “arguments pertaining to the merits or *Fintiv* factor 6.” *Supra* § II. The Board’s decision prejudiced Samsung as the Board later relied on Mojo’s unchecked attorney arguments over Samsung’s expert opinions on the prior art in its lengthy analysis concerning the merits under factor 6. (Paper 11 at 18-42.) Had the Board properly given Samsung the opportunity to respond, Samsung would have demonstrated the deficiencies in Mojo’s representations of the prior art and its arguments against obviousness. The Director should direct that any remand to the Board include an order permitting Samsung to respond to the merit arguments relied on by Mojo for *Fintiv* factor 6.

B. Director Review Is Needed to Clarify the Proper Weight Accorded to *Sotera*-Like Stipulations

Director review is also needed to provide authoritative guidance on an important issue of law and policy—the weight that should be accorded under *Fintiv* to stipulations that are similar, but not identical, to a *Sotera* stipulation.

The Director’s June 2022 guidance specifies that the Board will not deny discretionarily institution in view of parallel district court litigation when a party offers a *Sotera* stipulation. (Ex. 1064, 7-8.) The Board majority discounted Samsung’s stipulation to not rely on “(i) any of the same instituted grounds or (ii) any prior art reference that forms the basis of any instituted ground” because it was not a complete *Sotera* stipulation. The Board reasoned that Samsung’s stipulation did not “remove” duplicative effort concerns, as challenged claims in this case overlapped with asserted claims in the district court litigation. (Paper 11 at 16–18.)

This analysis misunderstands the Director’s guidance on the proper application of *Fintiv*. Under that guidance, a *Sotera* stipulation obviates the *Fintiv* analysis altogether. But a slightly more limited stipulation must nevertheless be given appropriate weight under *Fintiv* factor 4. Samsung’s stipulation significantly reduced both the overlap and the risk of inconsistent adjudication between the district court proceeding and the IPR, as recognized both by the Board in the ’349 IPR and by the dissent here. (See IPR2023-01089, Paper 11 at 20–23; Paper 11 at 50-52.) Although Samsung’s stipulation did not mirror *Sotera* to forgo any grounds

that could have possibly been raised, it ensured that the grounds, arguments, and evidence considered in district court would differ from those at issue in this proceeding, thereby eliminating the sources of inconsistencies contemplated by *Fintiv*. See *Fintiv*, IPR2020-00019, Paper 11 at 12-13. As recognized in the ’349 IPR and by the dissent here, this is “highly relevant to” factor 4. (Paper 11 at 51; IPR2022-01089, Paper 11 at 22.) The Board improperly held against Samsung the fact that it did not file a *Sotera* stipulation “in an analysis that only occurs when a *Sotera* stipulation is not filed” (Paper 11 at 51), which is in direct conflict with the ’349 IPR ID. (IPR2023-01089, Paper 11 at 22.)

The fact that Board panels (and Board APJs within the same panel) disagree about the weight that should be given to stipulations that are slightly narrower than *Sotera* demonstrates that Director review is needed. The issue is undoubtedly important: Parties before the Board need to know how their stipulations will be treated, and the Board should not deny institution where the danger of inconsistent results in an IPR and a parallel infringement litigation—the main concern that animated *Fintiv*—is significantly reduced.

V. CONCLUSION

For the foregoing reasons, the Director should grant review, instruct the panel that discretionary denial under *Fintiv* is inappropriate, and remand the case for institution consideration consistent with the Director’s decision.

Respectfully submitted,

Dated: February 7, 2024

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CERTIFICATE OF SERVICE

I hereby certify that on February 7, 2024, I caused a true and correct copy of the foregoing to be served electronically on counsel for Patent Owner at the following addresses:

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