Paper No. ___
Filed: March 17, 2023

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SAMSUNG ELECTRONICS CO., LTD.,
Petitioner,

v.

CALIFORNIA INSTITUTE OF TECHNOLOGY,
Patent Owner.

Case No. IPR2023-00133
Patent No. 7,421,032

PATENT OWNER'S PRE-INSTITUTION SUR-REPLY[1]

[1] Authorized by Board e-mail on March 3, 2023.

Neither Petitioner's arguments nor the new stipulation changes the *Fintiv* calculus—the *Fintiv* factors still weigh against institution. Despite explicit guidance from the Director on how to avoid the concerns raised in the precedential *Fintiv* decision, Petitioner continues to decline to do so.

Factor 4: Petitioner's second stipulation still fails to mitigate concerns of duplicative effort. For example, the petition relies on references not included in Petitioner's stipulation, such as Lin/Costello, Cheng, and MacKay—a concern not raised in *Ericsson*. *See* IPR2022-00069, Paper 9, 13-14; POPR, 57. Petitioner's new stipulation is crafted to ensure Petitioner can still base district court invalidity arguments on references integral to their IPR challenge, or variations of those references. Moreover, *Ericsson* was decided prior to the *Fintiv* memo, which specified a *Sotera* stipulation sets the bar for eliminating concerns of overlapping efforts. Despite being aware of this, Petitioner refuses to offer such a stipulation.

Factor 3: Petitioner ignores Caltech's arguments highlighting the substantial efforts related to validity that have been expended in the district court case. POPR, 54-56. By the expected May institution decision date, substantial pretrial work related to validity will be complete: fact discovery will be closed, expert reports will be served, and all dispositive motions will be due within a month. EX1015, 3. Invalidity contentions were served in May 2022, so over a year's work on invalidity will have been completed by the institution decision date. *Id.*, 4. The

district court confirmed the substantial investment to date when it denied a stay in January. EX2002, 5. Contrary to the Reply's argument, *Fintiv* states that effort on claim construction also satisfies Factor 3, as it is related to validity. *See* IPR2020-00019, Paper 11, 10; *id.*, Paper 15, 13-14. The *Markman* order confirmed the commonsense notion that invalidity arguments are being actively litigated and played a role in claim construction. EX1019, 22.

Factor 2: Petitioner mischaracterizes *Fintiv*: a need to consider all six *Fintiv* factors does not render Factor 2 "neutral" (Reply, 1). IPR2020-00019, Paper 11, 9; *id*, Paper 15, 13. Factor 2 supports denial where the trial will occur many months before an IPR decision (which Petitioner does not dispute in the Reply). *Id.*; *Ericsson*, IPR2022-00069, Paper 9, 10-11 (describing 8 to 9 months from trial to FWD as "significant gap" favoring denial).

Factor 1: Petitioner speculates Factor 1 is neutral because it is not precluded from filing a second stay motion if the IPRs are instituted. But the case Petitioner cites shows the ***same*** judge ***denying*** a Samsung post-institution stay motion where, as here, litigation was in its advanced stages. *See Solas OLED Ltd. v. Samsung Display, Inc.*, No. 2:19-CV-00152, 2020 WL 4040716, at *2-3 (E.D. Tex. July 17, 2020); EX2002, 5 (noting "stage of case" already "disfavor[ed] a stay"). The parties have every reason to expect the same outcome here, as the district court has already noted the late stage of the district court proceeding, as well as indicating a

disinclination to grant a stay due to the patents' history of unsuccessful challenges before the PTAB. EX2002, 5-6. In fact, this district court trial is more advanced; in *Solas*, IPRs were instituted as many as six months before trial, as opposed to the four months expected here. *See Solas*, 2020 WL 4040716, at *1 (first institution in April, six months before scheduled October trial); POPR, 53.

Factor 6: The petition's deficiencies support denial both on the merits and under *Fintiv*. The Reply ignores critical defects, such as the petition's failure to identify generation of the recited parity bits, in favor of mischaracterizing the POPR. Caltech never "disavowed" the Federal Circuit's construction of "repeat"; the POPR pointed out the petition's unjustifiable extension of that construction to bits that *could* have been produced using repetition. POPR, 3-5, 20-27. Regarding Kobayashi's disclosure, the Reply seeks to flip the burden. Neither the petition nor Dr. Valenti showed (or even asserted) that Kobayashi disclosed multiplying input bits by generator matrix bits. The POPR pointed out the petition's unfounded assumption on this point, and how this error fatally undermined the petition's argument. POPR, 13-27. Moreover, whether Dr. Valenti's opinions are rebutted by expert testimony is immaterial, as those opinions rest on unsubstantiated assumptions and fail to support propositions essential to Petitioner's case. The petition's low likelihood of success is confirmed by the numerous prior IPRs upholding the claims of this and related patents. POPR, 48-50.

Respectfully submitted,

Date: March 17, 2023

/ Michael T. Rosato /
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