UNITED STATES PATENT AND TRADEMARK OFFICE

_____

BEFORE THE PATENT TRIAL AND APPEAL BOARD

_____

ASUSTEK COMPUTER INC. and
ASUS COMPUTER INTERNATIONAL,

Petitioner,

v.

NOKIA TECHNOLOGIES OY,

Patent Owner.

_____

Case No. IPR2025-01153
U.S. Patent No. 10,536,714

PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW TO VACATE INSTITUTION AND TERMINATE INTER PARTES REVIEW

TABLE OF CONTENTS

I. INTRODUCTION

Patent Owner Nokia Technologies Oy ("Nokia") respectfully requests Director Review of the decision instituting *Inter Partes* Review of U.S. Patent No. 10,536,714 (the "'714 Patent"). The decision to institute rested in material part on Petitioner ASUS's representations that duplicative adjudication would not occur. Petitioner provided an August 1, 2025, *Sotera* stipulation as an assurance against duplicative adjudication and represented that the parallel ITC investigation would not consider the same prior-art combinations advanced in the Petition. This representation is no longer accurate. During a March 2026 ITC evidentiary hearing in a parallel proceeding, co-respondent Acer presented invalidity arguments based on the same prior art asserted in ASUS's Petition. Then, on April 16, 2026, Petitioner and co-respondent Acer filed a joint public post-hearing brief in Investigation No. 337-TA-1448 advancing the same invalidity theory against the '714 Patent that is argued in the Petition. The ITC is scheduled to issue its Final Initial Determination on August 14, 2026, nearly four months before the Board's projected December 11, 2026 deadline for a Final Written Decision.

These developments place this case squarely within the Director's intervening guidance. In *Hydrafacial*, the Director vacated an instituted IPR after the ITC adjudicated the same prior-art combinations on which the petition relied, even though another respondent had presented those grounds. *See Sinclair v. Hydrafacial*,

IPR2025-00145, Papers 40–41. The Director's subsequent decision in *Samsung Electronics Co. v. Netlist* confirms the same practical focus: The Director denied institution where the ITC would likely reach overlapping invalidity issues before the Board's final written decision and held that a petitioner's stipulation did not cure the duplication because it did not bind co-respondents that had adopted the petition grounds in the ITC. *See* IPR2026-00018, Paper 20. The same reasoning applies here, and the record is stronger. The assurances that Petitioner gave to avoid discretionary denial were in response to Patent Owner's assertion that Petitioner's *Sotera* stipulation would not ensure the IPR proceeding would be a "true alternative," there was likely to be significant overlap with the parallel ITC proceeding, and this IPR would adjudicate the same grounds only after the ITC's determination. *See* Paper 10. Patent Owner therefore requests that the Director: (i) vacate the institution decision and discretionarily deny the Petition under *Fintiv* and the Acting Director's March 24, 2025, and September 16, 2025, Memoranda; or (ii) at minimum, stay this proceeding pending the ITC's Final Initial Determination.

This Request follows Patent Owner's recent mandatory-notice update to the Board, identifying co-respondent Acer's and Petitioner's invalidity arguments presented during the ITC Evidentiary Hearing as a related matter that would affect this IPR proceeding. Petitioner's joint April 16, 2026, ITC public post-hearing brief confirms the overlap of issues to be adjudicated by both proceedings. *See* Resp'ts'

Post-Hr'g Br. at 31–33, *Certain Video-Capable Laptop, Desktop Computers, Handheld Computers, Tablets, Televisions, Projectors, and Components and Modules Thereof*, Inv. No. 337-TA-1448, EDIS Doc. ID No. 879293 (U.S. Int'l Trade Comm'n Apr. 16, 2026).[1] Patent Owner respectfully requests that the Director consider this Request timely filed under 37 C.F.R. § 42.75(c)(1).

II. BACKGROUND

A. Patent Owner Nokia and the '714 Patent

Patent Owner. Nokia Technologies Oy is Nokia Corporation's patent-licensing and advanced-technology business. Nokia was founded in 1865 and has contributed to cellular, networking, and digital-media technology for decades. Nokia invests approximately $5 billion annually in research, development, and manufacturing—$4 billion planned for the United States alone—and holds more than 26,000 patent families worldwide, including a substantial portfolio of patents with claims essential to international video decoding standards such as H.264/AVC and H.265/HEVC.[2] Nokia's licensing programs cover 250 licensees, including major device manufacturers in the smartphone, computing, automotive, and consumer-electronics sectors. The '714 Patent is part of Nokia's video coding portfolio.

[1] If requested, Nokia can provide the cited briefing from the ITC proceeding.

[2] https://www.nokia.com/newsroom/nokia-plans-to-expand-us-investment-by-4-billion-in-rd-and-manufacturing-for-ai-ready-network-connectivity; https://www.nokia.com/licensing/patents.

The '714 Patent. The '714 Patent is directed to an improved *merge mode*, an inter prediction mode introduced in the H.265/HEVC standard. Merge mode allows an encoder and decoder to construct lists of motion vector prediction candidates ("merge lists") for a block of pixels so that the encoder can signal the selected candidate by transmitting an index rather than the motion vector itself. Because HEVC permits prediction units as small as 4×4 pixels, a single 1080p frame—typically representing 1/30th of a second during video playback—can contain up to 129,600 prediction units, each requiring its own merge list. If each list holds five candidates, and no duplicate motion vectors were permitted, naïve construction would require approximately 1.3 million pairwise comparisons per frame and more than 38 million comparisons per second at 30 frames per second. These comparisons would be made sequentially for each prediction unit. The inventors recognized that this worst-case computational burden could be materially reduced without negative ramifications for video quality or compression if the candidate-comparison process were both location-aware and parallelizable.

The '714 Patent's solution is to determine, for each candidate, a subset of other candidates against which the candidate must be compared—and to make that subset a deterministic function of the candidate's spatial location. As shown in Figures 5, 9, and 11 of the specification, when the first spatial motion vector prediction candidate is at position A0, the subset is {A1}; when it is at position B0,

the subset is {B1}. By eliminating pairs unlikely to carry diverse motion vector information, the inventors reduced the number of comparisons per merge list, saving significant computation cost. Because each candidate's subset is fixed by spatial position rather than a result of prior sequential processing, the comparisons can be performed in parallel rather than serially. *See* '714 Patent at 14:21–16:55, 17:40–41. That location-based subset determination enabling parallel processing is a key aspect of the invention and the focal point of the IPR and the ITC investigation alike.

Prior tribunal findings. The '714 Patent has previously withstood validity scrutiny in an earlier ITC investigation as well. In Investigation No. 337-TA-1380, the ITC issued an Initial Determination on December 20, 2024, concluding that Respondent Amazon failed to prove the invalidity of any claim of the '714 Patent.

B. The IPR Petition and Institution Decision

The Petition, filed by ASUSTeK Computer, Inc. and ASUS Computer International ("Petitioner" or "ASUS"), challenges claims 1–3, 5–10, 12–17, 19–24, and 26–30 of the '714 Patent on two grounds: Ground 1 — obviousness over Rusert (U.S. Patent App. Pub. No. 2011/0194609) in view of Karczewicz '721 (U.S. Patent App. Pub. No. 2011/0249721); and Ground 2 — Rusert in view of Karczewicz '721 and Lin (U.S. Patent App. Pub. No. 2014/0092981), directed solely to dependent claim 4. The Petition's central theory is that Rusert's PMV_CANDS list, populated by a counterclockwise scan of previously coded spatial blocks, supplies both the

claimed "subset" determination and the limited-comparison feature, with Karczewicz '721 supplying prediction unit compatibility.

ASUS's argument against discretionary denial represented that "if IPR is instituted, the ITC will not resolve the grounds in this petition and, thus, cannot 'resolve all or substantially all of the patentability disputes between the parties.'" Paper 11 at 15 (quoting *Fintiv*). Leaning on its *Sotera* stipulation further, ASUS concluded that "[t]hese factors outweigh concerns of parallel proceeding overlap, particularly because ASUS's stipulation confirms that the ITC will not resolve all or substantially all of the patentability disputes between the parties." *Id.* at 17. ASUS's representations have proven false—the ITC is now resolving the very patentability grounds that ASUS assured the Director it would not.

The Director granted institution on December 11, 2025, Paper 14, reasoning that "no other non-discretionary considerations warrant denial of institution." Therefore, in conducting the *Fintiv* analysis, the Director relied on Petitioner's representation that the parallel ITC investigation would not resolve the grounds advanced in the Petition.

C. The Parallel ITC Investigation and Petitioner's *Sotera* Stipulation

Investigation No. 337-TA-1448 was instituted on April 11, 2025, and involves, among other things, allegations that Petitioner and co-respondent Acer infringe the '714 Patent. The procedural schedule, as amended, set the Evidentiary

Hearing for March 4–6 and March 9–12, 2026, post-hearing briefing through April 2026, and a Final Initial Determination due by August 14, 2026. Fourth Amended Adopted Procedural Schedule, Inv. No. 337-TA-1448, EDIS Doc. ID No. 865269 (U.S. Int'l Trade Comm'n Dec. 2, 2025). The ITC will therefore address the merits of validity, specifically the same Rusert and Karczewicz combination, nearly four months before the Board's December 11, 2026, deadline for a Final Written Decision in this proceeding.

Petitioner's August 1, 2025, *Sotera* stipulation provides that, if IPR is instituted, Petitioner will not pursue in the ITC any ground raised or that reasonably could have been raised in the Petition. The stipulation by its terms binds Petitioner only. However, Petitioner's Discretionary Denial briefing to the Director represented that the ITC proceeding would not consider the same grounds *at all*, not merely that ASUS would not pursue the same grounds. *See* Paper 11 at 15–17. At that time, the ITC investigation had been instituted for more than three months.

D. Respondents' Joint Post-Hearing Brief Presents the Same Prior Art Combination Against the '714 Patent

On April 16, 2026, Petitioner, together with Acer Inc. and Acer America Corporation ("Respondents"), filed a joint public post-hearing brief in the -1448 Investigation. Section III of that brief contains the caption "The Asserted Claims of the '714 Patent Are Invalid Over Rusert in Combination With Karczewicz 721," and

it identifies the asserted combination as "'Rusert' (U.S. Patent App. Pub. No. 2011/0194609, RX-1976) in combination with 'Karczewicz 721' (U.S. Patent App. Pub. No. 2011/0249721, RX-1977) (the 'Rusert combination')"—the same references and publication numbers underlying Ground 1 of the Petition. The brief advances the same PMV_CANDS, scan-order, and subset-comparison theory advanced in the Petition. For example, Respondents argue that "Rusert's determined subsets are 'based on the location of the block associated with the first spatial motion vector prediction candidate'" because "Rusert's subsets include candidates at a similar or smaller distance from the current block of pixels," just as the Petition does. *Compare* Respondents' ITC Post-Hearing Brief at 41–43 *with* Petition at 29–31.

Moreover, the parties have already expended extensive resources litigating the Rusert Combination in the parallel ITC proceeding. The parties and their experts have spent the last year preparing expert reports, briefings, and hearing testimony regarding the Rusert Combination. For example, at the ITC's evidentiary hearing, Dr. Richardson's direct examination testimony on the same Rusert Combination spans roughly 20 transcript pages with an additional 14 transcript pages of related testimony on cross examination. Furthermore, Respondents' expert, Dr. Sheila Hemami, gave another 34 transcript pages of testimony on the Rusert Combination across direct and cross examination. The only invalidity ground still at issue in the ITC related to the '714 Patent is the same Rusert Combination at issue in this IPR.

Finally, Petitioner did not inform the Board that the parallel ITC proceeding would be considering the same grounds presented in this IPR.

III. ARGUMENT

Director Review is warranted. The discretionary denial determination rested on Petitioner's representations that the ITC would not consider the IPR grounds and that Petitioner's *Sotera* stipulation eliminated overlap. The current ITC record—in particular, the ITC trial and Petitioner's own joint post-hearing brief—shows otherwise and brings this case within the Director's intervening guidance.

The *Fintiv* inquiry asks if the parallel proceeding will "consider and adjudicate the same or substantially similar issues" raised in the petition; it does not turn on which respondent's name appears on the brief (though Petitioner's name does appear on the brief). In *Hydrafacial*, the Director vacated an instituted IPR after the ITC determined the patent not invalid based on the same prior art and combinations advanced in the IPR, even though a different respondent had presented those grounds and the petitioner argued it should not be bound by a third party's invalidity case. *See Sinclair v. Hydrafacial*, IPR2025-00145, Papers 40–41, 44. What matters is the substance of the duplication, not the formal identity of the advocate.

The Director's recent decision in *Samsung Electronics Co. v. Netlist* confirms that same principle. There, the Director denied institution where the ITC would likely reach its determination before the Board's final written decision, creating

"significant duplication of effort, additional expense for the parties, and a risk of inconsistent decisions." *Samsung Electronics Co. v. Netlist*, IPR2026-00018, Paper 20. The Director further held that the petitioner's stipulation did not eliminate those concerns because it did not bind co-respondents that had adopted the petition's invalidity grounds in the ITC, and because attorney argument was insufficient to bind those entities absent a written statement or stipulation. *Id.* That reasoning applies with even greater force here: Acer has not provided a *Sotera* stipulation, Acer argued at trial to the ITC that the Rusert/Karczewicz '721 combination invalidates claims of the '714 Patent, and both Acer and Petitioner jointly submitted the April 16 joint post-hearing brief that again places the same Rusert/Karczewicz '721 combination before the Commission. *Samsung* thus confirms that the Director should look to the practical reality of overlapping adjudication, not the formal allocation of arguments among coordinated respondents. That principle forecloses any argument that duplicative proceedings should continue merely because Petitioner alleges that the presentation of the Rusert/Karczewicz '721 combination in the ITC is, at least in form, Acer's alone.

The overlap between proceedings is direct and substantial. Petition Ground 1 challenges every independent claim, and most dependent claims, of the '714 Patent as obvious over Rusert in view of Karczewicz '721, relying on Rusert's PMV_CANDS list and the scan-order subset-comparison theory to teach each of the

independent claim limitations. Petitioner and Acer's April 16, 2026, ITC joint public post-hearing brief advances that same case. The brief identifies the same Rusert and Karczewicz '721 references cited in the Petition and applies the same PMV_CANDS, scan-order, and subset-comparison theory limitation by limitation. The brief presents the Rusert/Karczewicz '721 combination as the invalidity case for every asserted claim of the '714 Patent in the Investigation.

At most, there are only minor, insubstantial differences between the invalidity case presented in the ITC and the Petition. The Lin reference is not asserted in the ITC, but Ground 2 of the Petition adds Lin only for a single claim: Dependent claim 4. That limited difference does not diminish the overlap on the principal Rusert/Karczewicz '721 combination that drives the Petition's challenge to every independent claim. On the dispositive issues, ***the IPR and the ITC will adjudicate the same arguments***.

Petitioner's *Sotera* stipulation does not cure the duplication of effort. As the Acting Director's March 24, 2025, Memorandum confirms, a *Sotera* stipulation is "highly relevant, but will not be dispositive by itself," and the decision in *Motorola Solutions v. Stellar* confirms that a stipulation does not transform an IPR into a "true alternative" where the parallel proceeding will adjudicate combinations of the same prior art. *See* IPR2024-01205, Paper 19. *Samsung* is directly on point: The Director rejected a materially similar attempt to rely on a petitioner-only stipulation where

co-respondents in an ITC investigation were not bound and had adopted the same invalidity grounds presented in the petitions. *See* IPR2026-00018, Paper 20. Petitioner's August 1, 2025, stipulation binds Petitioner only. It does not bind Acer. Indeed, despite Petitioner's representations otherwise, Paper 11 at 15–17, the ITC will now adjudicate the Rusert/Karczewicz combination. Whatever the formal reach of Petitioner's abstention from challenging the '714 Patent before the ITC, Petitioner even placed its name on the brief presenting those grounds to the ITC. Any practical daylight between the IPR and ITC theories is gone. This IPR has now realized the same duplication and inconsistency risks identified in *Hydrafacial*, *Motorola*, and *Samsung*. A stipulation merely preventing a petitioner from personally advancing the same arguments in one forum that its co-party pursues there does not provide the meaningful assurance against duplication contemplated by *Sotera*.

Importantly, Petitioner did not inform the Board that, despite its representations, the ITC has now considered Rusert/Karczewicz. Petitioner's representation that the ITC would not resolve the Petition's grounds became materially incomplete once Acer advanced the same Rusert/Karczewicz combination in expert reports, hearing testimony, and post-hearing briefing, and especially once Petitioner joined the April 16, 2026, post-hearing brief presenting that combination. Mandatory notices identifying related matters must be updated within 21 days of a change. 37 C.F.R. § 42.8(a)(3), (b)(2). But the present concern

is more direct. The April 16, 2026, public joint post-hearing brief was not a filing by a co-respondent of which Petitioner could plausibly disclaim knowledge; it was Petitioner's own filing, executed by Petitioner's counsel, in a parallel proceeding involving the same patent. The failure to apprise the Board that Petitioner itself is on the brief presenting the very Rusert/Karczewicz combination it represented the ITC would not consider goes to the heart of the discretionary denial premise. This failure warrants directorial intervention to protect the integrity and efficiency of the system, and to ensure petitioners provide accurate, current information for the Office's discretionary denial analysis.

The actual ITC record, the *Fintiv* factors, and the September 16, 2025, Memorandum favor vacatur. The March 24, 2025, Memorandum confirms that the Board "is more likely to deny institution where the ITC's projected final determination date is earlier than the Board's deadline to issue a final written decision." That is the situation here: The ITC Final Initial Determination will issue on August 14, 2026, and the IPR Final Written Decision deadline is December 11, 2026. *Samsung* confirms the significance of that timing where, as here, the parallel ITC proceeding will likely reach the overlapping invalidity issues first, creating duplication, expense, and risk of inconsistent decisions. The September 16, 2025, Memorandum further directs the Board to weigh prior tribunal findings—including the 337-TA-1380 ID's prior validity determination on the '714 Patent—and to

authorize additional briefing where the same evidence and arguments will be relied upon in the AIA proceeding. The parallel proceeding is far advanced, the issues materially overlap, and the schedule favors the ITC's earlier adjudication. On balance, *Fintiv* supports discretionary denial.

At a minimum, if the Director declines to vacate institution outright, the Director should stay this proceeding pending the August 14, 2026, Final Initial Determination. The Director similarly *sua sponte* stayed an instituted IPR in *Hydrafacial* pending consideration of an ITC determination. *See* IPR2025-00145, Paper 40. A stay is narrower relief, conserves Office and party resources, and permits the Office to assess the actual impact of the Commission's determination once issued. Petitioner cannot credibly claim prejudice from a brief stay where the alternative is duplicative validity adjudications and the risk of inconsistent decisions—particularly in a posture where Petitioner has joined the Post-Hearing Brief that will produce the very ITC determination at issue. After the Final Initial Determination, the Director may authorize supplemental briefing on its effect and revisit the discretionary denial analysis on a complete record.

IV. CONCLUSION

For the foregoing reasons, Patent Owner respectfully requests that the Director grant Director Review, vacate the decision granting institution, and discretionarily deny the Petition. In the alternative, Patent Owner respectfully

requests that the Director stay this proceeding pending the ITC's August 14, 2026, Final Initial Determination and authorize supplemental briefing on its effect.

V. WAIVER OF RULES

If any provision of 37 C.F.R. Part 42 would otherwise render this Request untimely, Patent Owner respectfully requests waiver under 37 C.F.R. § 42.75(c)(1) for good cause. The factual predicate for this Request—Petitioner's joint filing, with Acer, of an April 16, 2026, public post-hearing brief in the -1448 Investigation presenting the same Rusert/Karczewicz '721 combination set forth in the Petition—did not exist, and could not have been presented to the Director, within the ordinary Director Review window. Patent Owner acted diligently by updating the mandatory notices and filing this Request at the earliest practicable opportunity after assembling the post-hearing record of issues for adjudication in the parallel proceeding. The Director has previously granted analogous relief on a comparable showing. *See, e.g.*, *Revvo v. Tire Stickers*, IPR2025-00631, Paper 34. Granting waiver here imposes no undue prejudice overcoming this showing of good cause and serves the Office's interest in ensuring that discretionary denial determinations rest on a current and accurate record.

Dated: May 8, 2026

Respectfully submitted,

/s/ Scott W. Hejny
Scott W. Hejny
Reg. No. 45,882
shejny@mckoolsmith.com
Eric S. Hansen
Reg. No. 63,095
ehansen@mckoolsmith.com
Joseph W. Micheli
Reg. No. 81,245
jmicheli@mckoolsmith.com
MCKOOL SMITH, P.C.
300 Crescent Court, Suite 1200
Dallas, TX 75201
Telephone: 214.978.4000
Facsimile: 214.978.4044

R. Mitch Verboncoeur
Admitted *pro hac vice*
mverboncoeur@mckoolsmith.com
MCKOOL SMITH, P.C.
303 Colorado Street, Suite 2100
Austin, TX 78701
Telephone: 512.692.8757
Facsimile: 512.692.8744

Counsel for Patent Owner,
Nokia Technologies Oy

CERTIFICATION OF SERVICE

The undersigned hereby certifies that the foregoing **PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW TO VACATE INSTITUTION AND TERMINATE INTER PARTES REVIEW** has been served on Petitioner via email on the following counsel of record for Petitioner:

Jeremy J. Monaldo
IPR54587-0016IP1@fr.com

Kim Leung
Joseph V. Colaianni
Linhong Zhang
Jack R. Wilson IV

Dated: May 8, 2026

By: */s/ Scott W. Hejny*
Scott W. Hejny
Reg. No. 45,882