

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE OFFICE OF THE UNDER SECRETARY OF COMMERCE
FOR INTELLECTUAL PROPERTY AND DIRECTOR OF THE
UNITED STATES PATENT AND TRADEMARK OFFICE

MOTOROLA SOLUTIONS, INC.,
Petitioner,

v.

STELLAR, LLC,
Patent Owner.

IPR2024-01284 (Patent 8,310,540 B2)
IPR2024-01285 (Patent 8,928,752 B2)
IPR2024-01313 (Patent 10,523,901 B2)
IPR2024-01314 (Patent 10,965,910 B2)¹

Before COKE MORGAN STEWART, *Acting Under Secretary of
Commerce for Intellectual Property and Acting Director of the United States
Patent and Trademark Office.*

ORDER

Granting Director Review, Vacating the Decision Granting Institution, and
Denying Institution of *Inter Partes* Review

¹ This order applies to each of the above-listed proceedings.

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Stellar, LLC (“Patent Owner”) filed a request for Director Review of the Decision granting institution (“Decision”) in each of the above-captioned cases, and Motorola Solutions, Inc. (“Petitioner”) filed an authorized response to each request. *See* Paper 14 (“DR Request”); Paper 16.² In each request, Patent Owner argues that the rationale provided for granting Director Review and denying institution in four related *inter partes* review (“IPR”) proceedings³ applies to each of the current IPRs. DR Request 4, 9. Patent Owner also asserts that the stay the district court entered in the parallel litigation was the product of “the Board’s flawed institution decisions” in the related IPRs. *Id.* at 6.

Petitioner responds that the Board did not err in declining to exercise discretion to deny institution in these cases because the Board properly found that *Fintiv*⁴ factors 1–4 and 6 weighed against discretionary denial. *See* Paper 16, 1, 3–5. Petitioner explains that, at the time it filed the petitions, it relied on the Office’s June 21, 2022 memorandum entitled “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation” (“2022 Interim Procedure Memo”), which was “‘binding agency guidance’ [stating] that ‘the [Board] will not discretionarily deny institution of an IPR’ if there is a

² All citations are to the record in IPR2024-01284. Similar papers were filed in IPR2024-01285, IPR2024-01313, and IPR2024-01314.

³ The four related IPR proceedings are IPR2024-01205, IPR2024-01206, IPR2024-01207, and IPR2024-01208 (collectively, “the related IPRs”).

⁴ *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5–6 (PTAB Mar. 20, 2020) (precedential).

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Sotera^{5]} stipulation.”⁶ *Id.* at 1 (emphasis omitted). Petitioner argues the Office’s rescission of that guidance on February 28, 2025, cannot apply retroactively to these proceedings without raising Administrative Procedure Act and due process concerns. *Id.* at 2.

Below is a brief summary of the recent proceedings in these cases and the related IPRs.

February 13, 2025 Institution Decision in the related IPRs. In instituting review in the related IPRs, the Board referenced the 2022 Interim Procedure Memo and then evaluated each of the six *Fintiv* factors. IPR2024-01205, Paper 11 at 9–12. The Board did not treat Petitioner’s *Sotera* stipulation as dispositive in view of the holistic considerations permitted under the 2022 Interim Procedure Memo. *Id.* at 12 (identifying the stipulation as one of four reasons for declining to exercise discretion to deny institution).

February 24, 2025 District Court Stay. The district court issued a temporary stay of the parallel litigation in view of the Board’s decisions instituting review in the related IPRs. *See* Ex. 1058.

February 28, 2025 Rescission of 2022 Interim Procedure Memo. The USPTO rescinded the 2022 Interim Procedure Memo.

⁵ *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (precedential as to § II.A).

⁶ The now-rescinded 2022 Interim Process memo is available at https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf.

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March 18, 2025 Institution Decision. In instituting review, the Board explained that the USPTO had rescinded the 2022 Interim Procedure Memo and then evaluated each of the six *Fintiv* factors. Decision 8 n.5, 8–13. In considering the *Fintiv* factors holistically, the Board found that the district court’s stay of the proceedings, Petitioner’s *Sotera* stipulation, and the merits of Petitioner’s case outweighed the other factors. *Id.* at 13.

*March 24, 2025 Guidance on USPTO’s Rescission of 2022 Interim Procedure Memo (“March 2025 Memo”).*⁷ The March 2025 Memo clarifies that the 2022 Interim Procedure Memo’s rescission was effective upon its issuance and is not retroactive. The March 2025 Memo states that the rescission only applies to cases in which a final decision on institution has not been made, *i.e.*, “any case in which the Board has not issued an institution decision, or where a request for rehearing or Director review of an institution decision [is] filed and remains pending.” March 2025 Memo 2. The March 2025 Memo also provides parties the opportunity to request additional briefing. *Id.*

March 28, 2025 Director Review Decision in the related IPRs. The Director Review decision in the related IPRs determined that the Board’s analysis of *Fintiv* factors 3 and 4, and overall weighing of the *Fintiv* factors, was erroneous because the Board did not give enough weight to the investment in the parallel proceeding and gave too much weight to Petitioner’s *Sotera* stipulation. IPR2024-01205, Paper 19 (“1205 Director

⁷ The March 2025 Memo is available at https://www.uspto.gov/sites/default/files/documents/guidance_memo_on_interim_procedure_recission_20250324.pdf.

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Review Decision”), 2. In view of that determination, the 1205 Director Review Decision vacated the Board’s decisions granting institution and denied the petitions. *Id.* at 4.

March 31, 2025 Patent Owner Request for Director Review. Patent Owner’s Director Review request argues that institution should be denied in these proceedings because the district court stayed the parallel litigation based on the Board’s institution decisions in the related IPRs and those institution decisions have now been vacated. *See* DR Request 6.

April 8, 2025 Petitioner Response to Director Review Request. Petitioner argues that the Board did not err in evaluating the *Fintiv* factors and that the Office cannot apply retroactively the 2022 Interim Procedure Memo’s rescission to these cases. *See generally* Paper 16.

Petitioner’s response to Patent Owner’s Director Review request is premised on the argument that the Office has applied the rescission of the 2022 Interim Procedure Memo retroactively. The Office has not done so. As explained above, the March 2025 Memo clarified that the rescission is applicable only to cases in which a final decision on institution had not yet been made. Because Patent Owner requested Director Review of the Board’s Decision and that request is pending, there is no final decision on institution. Further, both parties had the opportunity to present, and Petitioner did present, arguments in view of the rescission. Paper 16, 3–5.

As to the district court’s stay in the parallel litigation, the court entered that stay after the Board’s decisions instituting review in the related IPRs. In so doing, the district court explained that its stay analysis depended in part on “whether some or all asserted claims [in the litigation] are subject

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to IPR proceedings. . . .” Ex. 1058, 1; *see also id.* at 2 (explaining that the district court will rule on the stay motion “only after considering the [Board’s] additional institution decisions and the parties’ advisories” to the court). The Board’s Decision determined that *Fintiv* factor 1 “weighs strongly against discretionary denial” in light of the stay, Decision 9, and the district court’s stay featured prominently in the Board’s analysis of *Fintiv* factors 2, 3, and 4 as well. *Id.* at 10–12. But the district court’s stay was premised on the Board’s institution decisions in the related IPRs, which have since been vacated.

The district court entered an Order on April 21, 2025, determining that the litigation is to remain stayed. *See* Ex. 3101. But that Order does not change the fact that the court’s original stay was premised on the Board’s decisions instituting review in the related IPRs. In any event, the district court continued the stay pending the Board’s “ultimate resolution” of these proceedings and the related IPRs and the court’s resolution of pending motions. *Id.* at 5.

Under these circumstances, Director Review is granted, and the efficiency and integrity of the system are best served by denying institution in these cases for the same reasons as set forth in the 1205 Director Review Decision. *See* 1205 DR Decision 2–4.

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In consideration of the foregoing, it is:

ORDERED that Director Review is granted;

FURTHER ORDERED that the Board's Decision granting institution of *inter parties* review (Paper 12) is vacated; and

FURTHER ORDERED that the Petition is *denied*, and no trial is instituted.

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