

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ZHUHAI COSMX BATTERY CO., LTD.,
Petitioner

v.

NINGDE AMPEREX TECHNOLOGY LTD.,
Patent Owner

IPR2023-00586
Patent 10,833,363

**PATENT OWNER'S SUR-REPLY TO PETITIONER'S REPLY TO
PATENT OWNER'S PRELIMINARY RESPONSE**

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Petitioner's Reply confirms that its Petition fails to make a *prima facie* case for unpatentability and fails to show that the *Fintiv* factors favor institution. The Petition should be denied on the merits, and the *Fintiv* factors also favor denial.

Factor 1 is neutral. Both Patent Owner and Petitioner agree. Reply at 1.

Factor 2 weighs strongly against institution. Petitioner does not dispute that jury selection in the district court will occur nearly seven months *before* the August 28, 2024 statutory deadline for a final written decision, which weighs against institution. *Id.*; see, e.g., *Samsung Elecs. Co., Ltd. v. California Inst. of Tech.*, IPR2023-00130, Paper 10 at 16 (PTAB May 4, 2023). Furthermore, Petitioner ignores that the Board in *NetNut*, even after accounting for potential movement of the trial date, still found this factor weighed slightly against institution. See *NetNut v. Bright Data*, IPR2021-01492, Paper 12 at 9-16 (PTAB Mar. 21, 2022).

Factor 3 also weighs against institution because there have been and will be significant expenditures of resources that will occur by the expected institution decision date. Fact discovery has been ongoing since December 2022 and will close in mid-September 2023, less than a month after the expected institution decision. The parties took six depositions of both fact and expert witnesses in June 2023, and by September, Patent Owner will have taken at least six additional depositions. Meanwhile, the parties have already produced a combined total of over *two million* pages of documents. Third-party discovery is also ongoing, with over fifteen third-

parties subpoenaed to date. The parties have also disclosed at least seven expert witnesses, and by end of August, will be working toward their initial expert reports due on September 18, 2023. By mid-August, the district court will have held its *Markman* hearing and the parties will be working towards pretrial dispositive motions (due in October 2023). In short, the parallel district court litigation is *already* in an advanced stage and will be even more advanced by the time an institution decision is expected to issue. *See Samsung*, Paper 10 at 17-18.

Factor 4 only marginally weighs in favor of institution. The narrowness of Petitioner's stipulation diminishes its weight. *Compare* Reply at 3 to *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 18-19 (PTAB Dec. 1, 2020) (precedential). A narrow *Sand Revolution*-style stipulation cannot overcome large gaps between the trial date and the expected final written decision deadline to warrant institution. *LG Elecs., Inc. v. Ancora Techs., Inc.*, No. IPR2021-00581, Paper 16 (PTAB June 10, 2021). Petitioner's implied argument that their stipulation is *slightly* broader than a *Sand Revolution*-style stipulation (because it bars them from asserting grounds using any *reference* in its Petition) is empty because it has presented no evidence that there would not still be significant overlap in the grounds, arguments, and evidence presented in the district court. In any event, this narrow stipulation does not fully mitigate or allay concerns of duplicative efforts or conflicting decisions from the district court. *Qualcomm Inc. v. UNM Rainforest*

Innovations, IPR2021-00377, Paper 13 at 10-12 (PTAB July 19, 2021). This factor is neutral or, at best, marginally favors institution. *Id.*

Factor 5 weighs against institution. The Board in *Protect Animals* identified only the **one-month** gap between the trial date and the statutory deadline for a final written decision to find this factor neutral. *See Protect Animals with Satellites v. OnPoint Sys.*, IPR2021-01483, Paper 11 at 17 (PTAB Mar. 4, 2022). With larger gaps (e.g., 8 months), the Board has found this weighs against institution when the parties are the same as in a district court proceeding. *See Samsung*, Paper 10 at 20.

Factor 6 weighs strongly against institution. Petitioner’s request that the Board institute proceedings so as to “develop the factual record” regarding disputed questions of fact highlights the fact that the Petition, as presented, fails to meet the high burden necessary to demonstrate a “compelling case” under Factor 6, which requires “evidence, if unrebutted in trial, [that] would **plainly** lead to a conclusion that one or more claims are unpatentable by a preponderance of the evidence.” Interim Procedure for Discretionary Denials, 4; *see also* 37 C.F.R. § 42.108(c) (eliminating presumption that factual issues raised in a preliminary response will be viewed in the light most favorable to the petitioner when deciding whether to institute review). “A challenge can only ‘plainly lead to a conclusion that one or more claims are unpatentable’ if it is **highly likely that the petitioner would prevail with respect to at least one challenged claim.**” *OpenSky Indus., LLC v. VLSI Tech.*

LLC, IPR2021-01064, Paper 102 at 49 (PTAB Oct. 4, 2022) (precedential) (quoting Interim Procedure at 4). Petitioner’s arguments, which are based on unsupported and erroneous assumptions and factual disputes, cannot (and do not) satisfy this high bar.

The POPR fully addresses Dr. Anderman’s fallback position in paragraphs 147-151 of his declaration (which is not even fully presented in the Petition). *See* POPR at 54-58; Ex. 2001 ¶¶ 103-111; 37 C.F.R. § 42.6(a)(3). The POPR clearly specifies and explains how additional assumptions and calculation errors discussed in Section VI.A.1.b of the POPR are repeated in Dr. Anderman’s fallback position. *See* POPR at 55-56, § VI.A.1.b. These assumptions and errors are repeated in Dr. Anderman’s calculations in paragraphs 132-145 to obtain alleged lower limits of propyl propionate wt %, which form the basis for Dr. Anderman’s arguments in paragraphs 149-151. Ex. 1003, ¶¶ 132-145, 149-151.

Petition also notes that Patent Owner “critiques Dr. Anderman for statements not relied on as part of his ‘alternative’ position, rendering its arguments irrelevant,” yet Dr. Anderman did rely on these statements to support his arguments in paragraphs 131 and 146 that Hong would satisfy Formula (3) even if his first and third assumptions are set aside. Ex. 1003, ¶¶ 131, 146. If Dr. Anderman did not intend to rely on these statements to support paragraphs 131 and 146, not only is it unclear why they were included, but this would further undermine his position.

Petitioner also claims that the POPR “fails to address all aspects of the ‘worst-

case scenario,' focusing on the upper bound for 25 % PP,” and that Patent Owner “cannot explain how the upper limit % PP of an electrolyte can exceed the starting 25 wt% value when additives are added to, not removed from, the organic solvent to make the electrolyte.” Reply at 4-5. First, the POPR does fully address Dr. Anderman’s fallback position. *See* POPR at 54-58. Second, instead of demonstrating why the PP wt % cannot exceed 25 wt % of Hong’s total electrolyte as its expert Dr. Anderman asserts (without support), Petitioner attempts to improperly shift the burden to Patent Owner to mask its failure to provide evidence that the upper limit PP wt % **cannot** exceed 25 wt %. *See Dynamic Drinkware, LLC v. National Graphics, Inc.*, 800 F.3d 1375, 1378 (Fed. Cir. 2015) (the burden of persuasion is on the petitioner and never shifts to the patentee).

Petitioner also argues that some of Patent Owner’s critiques “apply with equal force to any attempt to replicate the ’363 patent examples,” pointing to examples S6-5 and S6-6 in Table 6 of the ’363 patent. Not only is this wrong, but these examples are irrelevant because they test the effect on voltage drop of adding irrelevant additives to a solution with the claimed components (propyl propionate, dinitrile compound, and trinitrile compound) whose concentrations are ***expressly provided*** in wt % values, negating the need for Dr. Anderman’s improper assumptions.

In conclusion, four *Fintiv* factors weigh against institution, one is neutral, and one weighs only marginally for institution, which cannot outweigh the other factors.

Dated: July 6, 2023

Respectfully submitted,

/Christopher TL Douglas/
Christopher TL Douglas, Reg. No. 56,950

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §42.6(e), the undersigned hereby certifies that a copy of the foregoing **PATENT OWNER'S SUR-REPLY TO PETITIONER'S REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE** was served by filing this document through the P-TACTS system as well as delivering a true and correct copy by electronic mail on Patent Owner's lead and backup counsel at the following email addresses (as agreed by counsel for Patent Owner):

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