UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

LG Energy Solution, Ltd.,
Petitioner,

v.

Molecular Rebar Design, LLC,
Patent Owner.

IPR2024-01006
Patent 8,808,909

PATENT OWNER'S SUR-REPLY IN SUPPORT OF ITS PRELIMINARY RESPONSE TO PETITION FOR *INTER PARTES* REVIEW OF U.S. PATENT NO. 8,808,909

Petitioner's five page reply spends two pages addressing *Fintiv* factors 1-5 and three pages trying to bolster the merits of the Petition's obviousness positions under the guise of *Fintiv* Factor 6. However, Petitioner's arguments are conclusory at best. The Board should deny institution.

Factor 1 Favors Denial Or Is At Best Neutral: A Stay Is Unlikely In The Parallel Proceeding

Petitioner contends Factor 1 is neutral because in EDTX a stay will be granted and cites to *AGIS Software Dev. LLC v. Google LLC*, No. 2:19-cv-361, 2021 WL 465424, at *3 (E.D. Tex. Feb. 9, 2021). But Petitioner crops out the significant part of the court's statement which reads in full as "where the PTAB has instituted IPR proceedings or the PTO has granted EPR's as to *all claims of all asserted patents*, this Court has likewise routinely stayed cases because the Court there does not retain before it any intact (as originally asserted) claims that are ready to move forward toward trial." *Id.* at *2 (emphasis in original). Therefore, Petitioner's position hinges on whether this IPR and the four other related IPRs are instituted by the Board. Based on PTAB institution statistics alone it is unlikely all five petitions will be instituted for trial and thus the EDTX Court would not stay the case. What's more, as demonstrated below in regard to Factor 6, Petitioner did not meet its burden to institute based on presenting a compelling invalidity case. Further, the Board has acknowledged that in cases where a final written decision and a trial date are close that whether a court will

grant a stay is "speculative" and renders this factor as neutral. *See, e.g.*, *T-Mobile USA , Inc. et al. v. Wireless Alliance, LLC*, IPR2024-00608, Paper 16 at 12 (Sept. 3, 2024).

Factor 2 Favors Denial: Trial Is Scheduled Before The Final Written Decision

Trial is set for December 8, 2025 (*see* MRD-2002) which is proximate a Final Written Decision deadline. The proximity could result in conflicting decisions. The chance of conflicting decisions is further amplified by the fact that Petitioner intends to present a district court invalidity case involving not only the same references presented here but 193 more references. (MRD-2004). Institution here would only handle a small subset of the district court validity issues at a great inconsistency risk.

Factor 3 Favors Denial: Significant Time And Money Spent In District Court

This factor favors denying institution. Significant time and money has been spent and will continue to be spent. Patent Owner's claim to the contrary is belied by its voluminous invalidity contentions canvassing over 190 references as noted above.

Factor 4 Favors Denial: District Court's Invalidity Issues Are Broader

The same or substantially the same claims, grounds, arguments, and evidence in this Petition are also at issue in district court. Further, Petitioner's much broader district court invalidity case will still have to be litigated regardless of whether this one single petition is instituted addressing only 5 of the 111 patents, 74 printed publications, and 13 prior art systems at issue in district court. (*See* MRD-2004). Petitioner's refusal to provide a *Sotera* stipulation elucidates not only its intent to re-

litigate the issues in district court. but also its lack of faith in the merits of their Petition. It is not judicially effective or efficient for the Board and parties to spend their finite resources on this IPR that will only resolve but a small portion of invalidity issues.

Petitioner's *Sand Revolution*-type stipulation does not encompass the full-scope of estoppel. Here there are significant prior art grounds that Petitioner can still raise in the parallel litigation as noted above. Therefore, the court will be forced to consider almost the full range of invalidity contentions served by Defendant that includes numerous invalidity references, and even more combinations, as the litigation proceeds to trial. Petitioner did not even bother to address this fact in its Reply. The Board has noted that *Sand Revolution* "expressed skepticism that such 'hybrid' stipulations achieve the goals of avoiding duplication and inconsistent decisions." *T-Mobile*, Paper 13 at 17. There, the Board further stated that the limited stipulation does mitigate concern of "potentially conflicting decisions" but "does not remove them" and acknowledges that the factor then weighs "only slightly against discretionary denial." *Id*. at 18. But here, given the breadth of remaining grounds of invalidity in parallel litigation, which are beyond those in the *T-Mobile* case, Petitioner's stipulation rings hollow and would only resolve a small portion of the issues before the court.

Factor 5 Favors Denial: Samsung is a Consolidated Party In District Court

The same five patents are asserted against Samsung in a case that was consolidated with LG's case for all pre-trial issues. *See Molecular Rebar Design, LLC*

et al v. Samsung Electronics Co., Ltd. et al, 2-24-cv-00108, Dkt. 11 (EDTX). Both Petitioner and Patent Owner have disclosed this case as a related proceeding. *See* Patent Owner's Mandatory Notices. Even in the unlikely case that all five petitions are instituted, Petitioner has not suggested that the district court case would somehow stay the consolidated case given that Samsung is not a party to the IPR proceedings.

Factor 6: Petitioner's Invalidity Case is Far From Compelling

Petitioner suggests on page 3 that the Patent Owner conflates anticipation with obviousness when pointing out that the Ohata primary reference of Ground 1 is missing three of four claim elements. However, the POPR pointed out at page 5 that Ohata was a fundamentally disparate reference—stating: "Petitioner is forced to suggest that Ohata be combined with Kavan because Ohata does not teach or suggest at least three fundamental requirements of independent claim 1: oxidized nanotubes with "oxidation levels of from 1% to 15%"; nanotubes "having crystals or layers of lithium ion active material attached to their surface"; or the required "lithium ion active material." Petitioner states on page 4 that it relies upon Ohata "unambiguously" as having "an electrode active material." But the Petition actually states, "this electrode active material as either TiO2 or a phosphate olivine is based on Kavan." (Petition, p. 22).

Petitioner then states on page 5 that Patent Owner's positions on why three fundamental properties of Ohata would not be modified by Kavan "lack any evidentiary support." However, the POPR laid out the reasons the combination would not be made

in detail on pages 10-18 with evidentiary cites to the prior art teachings that were not explained or addressed by Petitioner. For example, Petitioner says one would oxidize Ohata based on Kavan, but Petitioner ignores Kavan's teaching "that the oxidative functionalization is not necessary for anchoring to TiO2 . . ." and that for the oxidized nanotubes, "[t]he Li-storage capacity of TiO2 is not enhanced in the composite . . . ." (LGES-1005, pp. 2,9). Ground I is uncompelling.

Grounds 2A and 2B rely upon a primary reference of Lee. However, instead of the claimed "discrete carbon nanotubes" Lee employs expressly "agglomerated" nanotubes. (LGES-1006, abstract; *see also* disclosure of 11 other mentions of "agglomerated" or "agglomerations" of nanoparticles throughout LGES-1006). Petitioner does not explain how "agglomerated" is somehow "discrete". Grounds 2A and 2B are not compelling.

Dated: November 15, 2024

Respectfully Submitted,
/Gregory L. Porter/
Gregory L. Porter
Registration No. 40,131
Lead Counsel for Patent Owner

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e)(4), lead counsel for Patent Owner hereby certifies that on November 15, 2024, a copy of this PATENT OWNER'S SUR-REPLY IN SUPPORT OF ITS PRELIMINARY RESPONSE was served to the email correspondence addresses of record for Petitioner's counsel of record:

IPR18768-0210IP4@fr.com

PTABInbound@fr.com

Dated: November 15, 2024

Respectfully Submitted,
/Gregory L. Porter/
Gregory L. Porter
Registration No. 40,131