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.

IPR2024-01012
Patent 10,608,282 B2

PATENT OWNER'S SUR-REPLY IN SUPPORT OF ITS PRELIMINARY RESPONSE TO PETITION FOR *INTER PARTES* REVIEW OF U.S. PATENT NO. 10,608,282

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. 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 140 more references. (MRD-2003). 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 140 references as noted below.

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 6 of the 92 patents, 41 printed publications, and 13 prior art systems at issue in district court. (*See* MRD-2003).

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

To try and support a compelling invalidity challenge Petitioner alleges on page 3 that Patent Owner's case against obviousness is "based solely on attorney argument." Petitioner overlooked that Patent Owner provided eight specific quotes directly from the primary reference in Grounds 1A-C that unequivocally show that Bosnyak-392 is directed to a single distribution of long carbon nanotubes and leads away from having a bimodal, low aspect ratio distribution with short nanotubes as claimed in the only independent claim, claim 1. (*See* POPR pp. 5-9, citing LGES-1005, paras.[0003],[0006],[0028],[0038],[0041],[0073],[0097]). Bosnyak-392 points out the reason for its use of longer nanotubes is that "shorter carbon nanotubes may not provide adequate electrical conductivity or structural integrity." (LGES-

1005, para.[0073]). Neither the Petitioner nor its expert explained how or why a POSITA would be led to deviate from these express teachings. Grounds 1A-C fail and thus are far from a compelling invalidity challenge.

Grounds 2A and 2B relying on Bosnyak-129 do not fare any better. Once again Patent Owner provides direct evidence that neither Petitioner nor its expert explain showing that Bosnyak-129's focus is on avoiding short nanotubes such as those claimed in independent claim 1. (*See* POPR pp. 19-21, citing LGES-1006, paras.[0100],[0099]). Bosnyak-129 teaches that, "[i]n certain applications, particularly those involving electrical conduction or mechanical reinforcement, shorter carbon nanotubes may not provide adequate electrical conductivity or structural reinforcement." (LGES-1006, para.[0100]). Petitioner has not explained anywhere why a POSITA would ignore express teachings and do the opposite of the Bosnyak-129 primary reference. Also, Patent Owner pointed out, in detail, with citations, why the Bosnyak-129 and Albuerne combination would not be made and why the proposed combination would not yield Independent Claim 1's bimodal aspect ratio or discrete requirements. (*See* POPR pp. 22-26).

Petitioner does not even meet the reasonable likelihood of success standard for institution and therefore it cannot meet the significantly higher standard for a compelling invalidity challenge. The Board should deny institution.

Dated: November 15, 2024

Respectfully Submitted,
/Gregory L. Porter/
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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:

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Dated: November 15, 2024

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