

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Innolux Corporation

Petitioner,

v.

Phenix Longhorn LLC

Patent Owner.

Case No. IPR2025-00043
U.S. Patent No. 7,233,305

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

Patent Owner Phenix Longhorn LLC's ("PO") Preliminary Response ("POPR") arguments for discretionary denial under *Fintiv* fail. The parallel district court proceeding remains in its nascent stages. Coupled with Petitioner's diligence and a *Sotera* stipulation, the *Fintiv* factors weigh decidedly against denial.

On the merits, PO cannot rely on the priority date of the '680 provisional application. Furthermore, PO's assertion that Nakata and Yamazaki are cumulative under § 325(d) is unfounded. These references are materially different, directly addressing specific deficiencies the Board previously identified in other art. Petitioner has established a reasonable likelihood of prevailing, and institution is strongly warranted.

I. The *Fintiv* Factors Weigh Against Denial.

PO seeks discretionary denial under 35 U.S.C. § 314(a), citing the *Fintiv* factors. POPR at 56–61. A complete analysis weighs strongly against denial. *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, at 5-6 (PTAB Mar. 20, 2020) (precedential); *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12, at 18–19 (PTAB Dec. 1, 2020) (precedential as to § II.A.). *See Palo Alto Networks, v. Croga Innovations, Ltd.*, IPR2024-01421, Paper 8, at 13-14 (PTAB Mar. 14, 2025) (no discretionary denial based on giving significant weight to factors 3 and 4).

A. Factor 1: Stay of the Parallel Proceeding.

Because PO is merely speculating that a stay would not be granted (POPR at

56-57), this factor should be considered neutral, if not favoring institution, given Petitioner's clear intent to seek a stay upon institution. (Pet. at 29-30); *Fintiv*, at 6-9.

B. Factor 2: Proximity of Trial Date to FWD Deadline.

The short gap between the trial date (Feb. 17, 2026) and the FWD deadline (June 12, 2026) does not compel denial. The trial date is distant, with significant milestones remaining, such as the opening claim construction brief (June 2025), claim construction hearing (Aug. 2025) and expert discovery (Nov. 2025). EX2008 at 3-4. Trial dates this far out are uncertain. Furthermore, service on Petitioner was effective June 7, 2024, eight months after the suit was filed, with an agreed response date of September 19, 2024. Considering the late service of the complaint, and the average time to trial of 23 months in E.D. Tex.¹, that would put an expected trial date in May or June of 2026, close to the FWD due date. Thus, any argument that trial will occur prior to a FWD in this case is speculative. These facts diminish the weight of factor 2 in the holistic *Fintiv* analysis. *See Sotera*, Paper 12, at 15.

C. Factor 3: The District Court Case Remains in Early Stages.

The district court case remains in its early stages. (POPR at 58-59). Key events

¹ U.S. Courts, U.S. District Courts – Combined Civil and Criminal Federal Court Management Statistics (Dec. 31, 2024) (*available at https://www.uscourts.gov/sites/default/files/2025-02/fcms_na_distprofile1231.2024.pdf*)

like claim construction and expert discovery are yet to occur and no substantive orders have been entered. (EX2008 at 3-4). Further, Petitioner acted diligently, filing this Petition shortly after receiving infringement contentions (Pet. at 29). This early stage, combined with Petitioner's diligence weighs against denial. *See Palo Alto*, Paper 8, at 11-12; *Snap, Inc. v. SRK Tech. LLC*, IPR2020-00820, Paper 15, at 10–14 (PTAB Oct. 21, 2020); *Sotera*, Paper 12, at 16-17.

D. Factor 4: There is No Overlap in the Proceedings.

Petitioner's *Sotera* stipulation critically undermines PO's overlap arguments (*Updated Mandatory Notices*, Paper 7). Under the previous *Interim Procedure*, a *Sotera* stipulation was nearly dispositive against a discretionary denial. While that memorandum no longer applies, the Board has continued to view such stipulations as weighing “strongly” against a discretionary denial. *Palo Alto*, Paper 8, at 12-14. Petitioner's stipulation, which prevents raising any grounds of invalidity that were or could have been raised here, eliminates duplicative efforts and the potential for conflicting decisions. This factor therefore weighs strongly against denial. *Id.*; *Sotera*, Paper 12, at 18–19.

E. Factor 6: The Petition Presents Compelling Grounds of Invalidity.

The Petition presents strong invalidity grounds, meeting the reasonable likelihood standard. *See Fintiv*, Paper 11, at 14-16. Institution promotes efficiency by resolving validity before significant late-stage district court resources are

expended. *Cuzzo Speed Techs. LLC v. Lee*, 579 U.S. 261, 272 (2016) (quoting H.R. Rep. No. 112-98, pt. 1, at 45-48). Factor 6 weighs against discretionary denial.

II. The '305 Patent Is Not Entitled to the Provisional Application's Filing Date, Making Nakata Prior Art.

PO's assertion that it is entitled to the June 11, 2003 filing date of the U.S. Provisional Application No. 60/477,680 ("the '680 provisional") fails because the application filed under that number provides no support for the challenged claims. *See* 35 U.S.C. § 119(e)(1) (pre-AIA); *New Railhead Mfg., L.L.C. v. Vermeer Mfg. Co.*, 298 F.3d 1290, 1294 (Fed. Cir. 2002) (holding benefit under § 119(e)(1) requires the provisional specification to "adequately describe the invention claimed"). PO's speculation that a clerical error occurred at the USPTO is unsupported and contradicted by the evidence. POPR at 5.

First, PO's theory that the USPTO swapped the specification filed for the '680 provisional with another application is implausible. As Petitioner noted, the specification actually filed with the '680 provisional on June 5, 2003 describes a "Haptic Targeting Device," entirely unrelated to the '305 Patent's subject matter. Pet. at 13-14; EX1016 at 8. The application containing this unrelated specification was also filed two weeks later under application number 60/480,987 on June 23, 2003 by the *same law firm* that filed the '680 provisional. There is no evidence in USPTO records that the provisional application that PO apparently intended to file *was ever submitted*. Pet. at 13-14. It defies logic that the USPTO could have

mistakenly inserted a specification from an application that was never filed. The more likely explanation for the error lies with the filer.

Second, the document filed as the '680 provisional itself confirms its identity. Every page of the filed specification bears the number "60477680.061103". Pet. at 14; EX1016. This number corresponds to the provisional application number (60/477,680) and the filing date (June 11, 2003). PO offers no explanation for this identifying number appearing on every page of the apparently incorrect specification. POPR at 5-6.

Because the filed '680 provisional does not support the claims, the '305 Patent is not entitled to the benefit of its June 11, 2003 filing date under 35 U.S.C. § 119(e)(1). The effective filing date for the challenged claims is therefore the actual filing date of the non-provisional application, December 23, 2003 (Pet. at 15). Nakata (EX1005), filed November 7, 2003, thus constitutes prior art under 35 U.S.C. § 102(e) (pre-AIA)

III. The Nakata and Yamazaki are Not Cumulative with Any Art Previously Considered By The USPTO.

PO incorrectly argues that Nakata and Yamazaki are cumulative of art previously considered by the Board and that institution should be denied under 35 U.S.C. § 325(d). POPR at 49-53. However, § 325(d) allows denial only when "*the same or substantially the same* prior art or arguments previously were presented to the Office." 35 U.S.C. § 325(d) (emphasis added). *See Becton, Dickinson & Co. v.*

B. Braun Melsungen AG, IPR2017-01586, Paper 8 at 17–18 (P.T.A.B. Dec. 15, 2017). Here, Nakata and Yamazaki present materially different disclosures that directly address the specific deficiencies the Board identified during the Wistron IPR denial (EX1014), demonstrating they are not cumulative.

A. Nakata Overcomes Deficiencies Previously Identified in Petropoulos.

Multiplexer (Limitation 1[2]/8[2]): The Board found Petropoulos lacked a clear multiplexer disclosure, questioning its address signal generator/decoders. EX1014 at 32-34 (regarding limitation [b]). Nakata, however, discloses structures performing this function: its serial interface (1) functions as an *input* multiplexer (Pet. at 38-40), and its decoder (52) acts as an *output* multiplexer (Pet. at 46-47) overcoming the prior ambiguity.

Means to Switch (Limitation 1[6]/Claim 10): The Board found Petropoulos lacked the corresponding structure (bank select circuit, damping, etc.) for switching. EX1014 at 34-38. Nakata explicitly shows a switching controller (8) controlling selectors (71-7n) to switch banks based on an external signal (scanline info) (Pet. at 43-44), providing the structure the Board found missing.

B. Yamazaki Offers Superior Disclosures Overcoming Prior Deficiencies.

Banks of Cells (Limitation 1[5]/Claim 10): The Board found Petropoulos and Tsai lacked disclosure of memory organized into distinct “banks.” EX1014 at 22-23. Yamazaki clearly discloses nonvolatile memory in a matrix (EX1008 at Fig.

3, 8:16-34) storing “multiple sets of gamma values” (EX1008 at 2:24-28), providing a clearer structural basis for “banks” than Petropoulos or Tsai. Pet. at 71-72.

Multiplexer (Limitation 1[2]/8[2]): Yamazaki's X/Y address decoders (301, 302) select specific memory elements (EX1008 at 8:43-49, Fig. 3), arguably functioning as multiplexers in context and offering a more concrete structure than the Board found in Petropoulos. Pet. at 69-70.

Means to Switch Rationale (Limitation 1[6]/Claim 10): Yamazaki's explicit disclosure of *multiple stored sets* (banks) creates a stronger motivation for a POSITA to implement switching means than existed with Petropoulos. Pet. at 72 (citing EX1008 at 2:24-28, 7:20-32).

Because Nakata and Yamazaki provide disclosures addressing the reasons the Board previously found Petropoulos and Tsai deficient, they present materially different art and arguments. Discretionary denial under § 325(d) is therefore inappropriate.

IV. Conclusion

For the foregoing reasons, Petitioner Innolux Corporation respectfully requests institution of a trial proceeding under this Petition.

Dated: April 2, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

In accordance with 37 C.F.R. § 42.6(e), the undersigned certifies that on the 2nd day of April 2025, a complete and entire copy of this **PETITIONER'S REPLY TO PATENT OWNER'S PRELIMINARY RESPONSE** was served on Patent Owner via electronic mail at the following addresses:

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