

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. IPR2025-00044
U.S. Patent No. 7,557,788

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

Patent Owner Phenix Longhorn LLC's ("PO") Preliminary Response ("POPR") presents no compelling reason to deny institution. Its arguments for *Fintiv* denial fail for the reasons discussed below. Further, PO's procedural objections lack merit. The parties' conduct confirms that the challenged "means for executing" limitation is not a 112(f) term, rendering PO's Rule 104(b)(3) argument baseless. Finally, Greene and Da Costa are not cumulative because they directly overcome the distinctions Applicant relied upon to secure allowance, thus there is no justification for denying institution under § 325(d). The Board should institute review.

I. The *Fintiv* Factors Weigh Against Denial

PO seeks discretionary denial under 35 U.S.C. § 314(a), citing the *Fintiv* factors. POPR at 33-40. 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 34-35), this factor should be considered neutral, if not favoring institution, given Petitioner's clear intent to seek a stay upon institution. (Pet. at 16); *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). (EX2005 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 before a FWD 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 37-38). Key events 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

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*).

this Petition shortly after receiving infringement contentions (Pet. at 16-17). 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 10–11 (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. Even now, 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 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 6. 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 a discretionary denial.

II. Rule 104(b)(3) Does Not Require an MPF Construction Where None is Warranted and Neither Petitioner nor Patent Owner Advocated For It.

PO incorrectly argues that the Petition should be denied for failing to provide

a means-plus-function (“MPF”) construction for “means for executing a predetermined algorithm according to a predetermined criteria and data sensed by said at least one sensor” under 37 C.F.R. § 42.104(b)(3). POPR at 16-18. PO’s argument fails first and foremost because both parties consistently treated this term as *not* a MPF term, making Rule 104(b)(3)’s requirements inapplicable here.

In the district court, the parties were *required* to identify the “structure . . . that performs the claimed function” for any asserted MPF terms in their respective contentions. *See* E.D. Tex. LPR 3-1; LPR 3-3. Neither Petitioner nor PO identified this term as MPF and PO has not presented *any infringement theory* under an MPF construction of the term. PO then refused to take a position in its POPR. POPR, at 18 n.2. Then, PO indicated that it believed this term was an MPF term for the first time in its LPR 4-1 disclosure identifying terms for construction, served March 27, 2025. Even with that, PO has still refused to identify a structure corresponding to the claimed function. Further, in the POPR, PO *solely* argues that the art applied fails under a plain and ordinary construction, providing *no alternative analysis* under an MPF construction. POPR, at 47-50, 55-57. Rule 104(b)(3) does not compel Petitioner to propose an MPF construction that, at the time of filing the Petition, *neither party contended was MPF*. Cases where institution was denied involved *petitioners* taking inconsistent positions (POPR at 17 (citing *10x Genomics*, IPR2023-01299)), which is not the situation here. *See also Cambridge Mobile*

Telem., Inc. v. Sfara, Inc., IPR2024-00952, Paper 12, 8-9 (PTAB Dec. 13, 2024) (informative). Only PO has taken conflicting positions. The Board should not deny institution where both parties have proceeded as if the term is not MPF.

Furthermore, Rule 104(b)(3) only requires identifying corresponding structure “[w]here the claim to be construed contains a means-plus-function . . . limitation as permitted under 35 U.S.C. 112(f).” 37 C.F.R. § 42.104(b)(3). This term is not an MPF limitation, as both parties previously agreed. The use of “means” creates only a presumption that § 112(f) applies, which can be overcome where the claim recites sufficient structure. The plain and ordinary meaning of “means for executing a predetermined algorithm . . .” connotes a general-purpose processor, which is understood as structure sufficient to perform the function. *See Skky, Inc. v. MindGeek, s.a.r.l.*, 859 F.3d 1014, 1020-21 (Fed. Cir. 2017); *TriMed, Inc. v. Stryker Corp.*, 514 F.3d 1256, 1259-60 (Fed. Cir. 2008). Because the term recites sufficient structure (a processor executing a specific predetermined algorithm), § 112(f) does not apply, and Rule 104(b)(3) is inapplicable.

Finally, if the Board were to construe the term as MPF, it would be indefinite, because the specification discloses no more structure than what is recited in the claim. A means-plus-function claim is indefinite if the specification fails to disclose adequate corresponding structure linked to the claimed function. *See Williamson v. Citrix Online, LLC*, 792 F.3d 1339, 1351-52 (Fed. Cir. 2015) (en banc). The ’788

Patent specification fails to disclose *any* corresponding structure beyond that recited in the claim. EX1001, *passim*. Furthermore, for a computer implemented MPF term, the corresponding structure must be the specific algorithm the processor uses. *See Aristocrat Techs. Austl. Pty Ltd. v. Int’l Game Tech.*, 521 F.3d 1328, 1333 (Fed. Cir. 2008). The ’788 patent specification refers generally to a “predetermined algorithm” and “optimization” without providing any details on the steps involved. EX1001 at 3:6-12, 6:48-56, 7:1-9. This lack of disclosed corresponding structure in the specification—both algorithmically and physically—would render the claim indefinite if it were construed under § 112(f). *See Biomedino, LLC v. Waters Techs. Corp.*, 490 F.3d 946, 949-53 (Fed. Cir. 2007).

Consistent with the parties’ pre-filing positions, the term is not MPF and Rule 104(b)(3) does not prevent institution. PO’s argument should be rejected.

III. Petitioner’s Grounds Are Not Cumulative and Warrant Review

Discretionary denial under 35 U.S.C. § 325(d) is improper because Greene (EX1006) and Da Costa (EX1007) are not cumulative; instead, they address the specific deficiencies Applicant successfully argued were absent from the prosecution art, contrary to the Patent Owner's argument (POPR 20–32).

The Examiner rejected the claims over Liaw and Liaw/Matsui. EX1002, at 94–97. Applicant traversed the rejection by arguing that Liaw failed to teach a gamma reference control capability that was both “electrically reprogrammable and

non-volatile,” did not apply voltages “on columns,” and did not teach compensating for “panel-to-panel manufacturing variations.” EX1002, at 75–76. Applicant also distinguished Matsui as only adjusting dynamically, not storing multiple sets for use under different conditions. See EX1002, at 79.

Greene directly addresses these points. It explicitly teaches storing correction parameters in non-volatile RAM (NV-RAM) (see, e.g., Pet. at 28–29, 38–40, 50). It targets variations from “manufacturing” (see, e.g., Pet. at 27–28), applying column-level corrections (see, e.g., Pet. at 30, 36–37, 48). And it teaches repeating calibration suggesting storage of different parameter sets (see, e.g., Pet. at 33–34).

Da Costa similarly addresses these points, teaching reprogrammable/non-volatile storage (flash memory/PROM) (see, e.g., Pet. at 55, 58–59), addressing “manufacturing variations” (see, e.g., Pet. at 55, 59), applying voltages via column drivers (see, e.g., Pet. at 56, 57, 59), and implying the use/storage of multiple sets (see, e.g., Pet. at 54–55, 60–61).

For these reasons, Petitioner’s grounds relying on Greene and Da Costa are not cumulative, and denial under § 325(d) is unwarranted.

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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