

Filed on behalf of: Yangtze Memory Technologies Company, Ltd.

Entered: April 22, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MICRON TECHNOLOGY, INC.,
Petitioner,

v.

YANGTZE MEMORY TECHNOLOGIES COMPANY, LTD.,
Patent Owner.

Case IPR2025-00118
Patent 10,879,164

PATENT OWNER'S PRELIMINARY SUR-REPLY

EXHIBIT LIST

Ex.	Description
2001	Micron's Motion to Stay the Case Pending Inter Partes Review and Post Grant Review Proceedings, <i>Yangtze Memory Technologies Company, Ltd. v. Micron Technology, Inc.</i> , No. 3:23-cv-05792-RFL (N.D. Cal. Jan. 16, 2025), ECF No. 200
2002	Plaintiff/Counterclaim Defendant Yangtze Memory Technologies Company, Ltd.'s and Counterclaim Defendant Yangtze Memory Technologies, Inc.'s Opposition to Micron's Motion to Stay Case Pending Inter Partes Review and Post-Grant Proceedings, <i>Yangtze Memory Technologies Company, Ltd. v. Micron Technology, Inc.</i> , No. 3:23-cv-05792-RFL (N.D. Cal. Feb. 3, 2025), ECF No. 221
2003	Docket Entry Order (issuing temporary stay), <i>Yangtze Memory Technologies Company, Ltd. v. Micron Technology, Inc.</i> , No. 3:23-cv-05792-RFL (N.D. Cal. Mar. 3, 2025), ECF No. 242
2004	U.S. District Courts—Time Intervals from Filing Date to Beginning Date for Completed Civil Trials, by District, During the 12-Month Period Ending September 30, 2024 (https://www.uscourts.gov/sites/default/files/2025-01/jb_t3_0930.2024.pdf)
2005	RESERVED
2006	Curriculum Vitae of Dr. Sunil Khatri
2007	Declaration of Dr. Sunil Khatri ("Khatri")
2008	Civil Minutes, <i>Yangtze Memory Technologies Company, Ltd. v. Micron Technology, Inc.</i> , No. 3:23-cv-05792-RFL (N.D. Cal. Sept. 18, 2024), ECF No. 141
2009	Defendants' Preliminary Invalidity Contentions and Document Production Accompanying Invalidity Contentions re YMTC II Asserted Patents (Patent Local Rules 3-3 and 3-4), <i>Yangtze Memory Technologies Company, Ltd. v. Micron Technology, Inc.</i> , No. 3:23-cv-05792-RFL (N.D. Cal. Nov. 25, 2024) (excerpts)

As authorized by the Board (Ex.1029), Patent Owner respectfully submits this Preliminary Sur-Reply. The Board should exercise its discretion to deny institution because this IPR will not serve as an effective and efficient alternative to litigation.

Issue Overlap. While the District Court stayed the parallel proceeding, as the Acting Director recently clarified, this does not end the *Fintiv* inquiry.¹ *Motorola Sols., Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19 at 4 (PTAB Mar. 28, 2025) (Director Review Decision) (denying institution despite a district court stay pending IPR proceedings). Here, as in *Motorola*, there is substantial overlap between the claims, arguments, and evidence raised in the co-pending district court litigation and the Petition. Petitioner's district court invalidity arguments incorporate the Petition and its grounds and encompass combinations of printed prior art publications and various unpublished prior art systems/products. *See* Ex.2009 at 178-80 (asserting invalidity based on "patents, publications, products, and combinations thereof"). The asserted system art is duplicative of the art in the Petition. Petitioner identifies system art products as alternatives to the primary references asserted in the Petition and proposes combinations with system art and printed publications. *Id.* at 183.

¹ Contrary to Petitioner's assertion, the POPR asserted that Factor 1 weighed in favor of discretionary denial "if the district court denies Petitioner's motion to stay." POPR 31. The *Fintiv* analysis favors denial regardless.

The estoppel that attaches to a final written decision is “not likely to moot” Petitioner’s “expansive” invalidity arguments. *Motorola Sols.*, IPR2024-01205, Paper 19 at 4; *see also SAP Am., Inc. v. Cyandia, Inc.*, IPR2024-01496, Paper 13 at 8-9 (PTAB Apr. 7, 2025) (concluding that, despite petitioner’s *Sotera* stipulation, “a majority of the parties’ work that would be done [in IPR] will also be required in the Litigation regardless of whether we institute review” because of asserted system art). Indeed, courts have held that the estoppel triggered by Final Written Decisions does not encompass combinations of printed publications and prior art systems, like those Petitioner proposes. *See, e.g., Cellwitch Inc. v. Tile, Inc.*, No. 19-cv-01315-JSW, 2023 U.S. Dist. LEXIS 226845, at *7 (N.D. Cal. Dec. 20, 2023) (estoppel does not apply to combinations of printed publications and system art); *see also Omnitracs, LLC v. Platform Sci., Inc.*, No. 20-cv-958-CAB-DDL, 2024 U.S. Dist. LEXIS 68491, at *5 (S.D. Cal. Apr. 15, 2024) (“IPR estoppel does not apply to device or system art.”). Following IPR, Patent Owner will thus be forced to defend the ’164 patent claims again against nearly identical arguments in district court. This is inefficient, a waste of the PTAB’s finite resources, and creates a risk of inconsistent decisions. This factor strongly favors discretionary denial.

Other circumstances. The instant Petition is part of an immense campaign waged by Petitioner against Patent Owner. Petitioner has wielded a barrage of 26 petitions challenging 251 claims across 19 of Patent Owner’s patents, harassing and

punishing Patent Owner for asserting duly-issued, thoroughly examined, patents in the parallel district court proceeding. Petitioner's attempt to leverage the PTAB to gain tactical advantage in district court imposes a substantial burden not only on Patent Owner, but also on the Board and its finite resources. These petitions require the Board to adjudicate hundreds of challenged claims, the majority of which have already been withdrawn from the district court litigation. Indeed, fewer than a third of the 251 total challenged claims are presently asserted in the parallel litigation—including only 3 of the 14 challenged claims in this proceeding. The district court will resolve Petitioner's invalidity assertions more efficiently than the PTAB: it has already required the parties to narrow the dispute to 70 claims and will narrow it further to just eight claims for trial. Ex.2008. This order is compulsory and is in place regardless of the IPR's outcome. The Board's substantial investment of time and resources in these IPR proceedings is unlikely to further simplify the litigation.

Rather than providing a “faster, less costly alternative[] to civil litigation to challenge patents,” 157 Cong. Rec. S936, S952 (daily ed. Feb. 28, 2011) (statement of Sen. Grassley), Petitioner's IPR campaign exponentially increases the cost and time required to litigate the dispute between the parties. This is a waste of the PTAB's finite resources, imposes an unreasonable burden on Patent Owner, and harms the integrity and efficiency of the patent system. The PTAB should deny institution and allow Petitioner's invalidity arguments to be resolved in district court.

Respectfully submitted,

Dated: April 22, 2025

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), I certify that on this 22nd day of April, 2025, a true and correct copy of the foregoing **Patent Owner's Preliminary Sur-Reply and all Exhibits** were served by electronic mail on Petitioner's lead and backup counsel at the following email addresses:

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