

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TESLA, INC.,
Petitioner,

v.

INTELLECTUAL VENTURES II LLC,
Patent Owner.

IPR2025-00220
U.S. Patent No. 11,206,670

**PETITIONER'S OPPOSITION TO PATENT OWNER'S
REQUEST FOR DISCRETIONARY DENIAL**

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PETITIONER'S EXHIBIT LIST

Ex.1001	U.S. Patent No. 11,206,670 to P. Young (“’670 patent”)
Ex.1002	Prosecution File History of U.S. Patent Application No. 17/184,127 issued as the ’670 Patent (“’670 File History”)
Ex.1003	Declaration of Zhi Ding, Ph.D. under 37 C.F.R. § 1.68
Ex.1004	Curriculum Vitae of Zhi Ding, Ph.D.
Ex.1005	U.S. Patent Application Publication No. 2012/0327895 by A. Wallen et al. (“Wallen”)
Ex.1006	U.S. Provisional Application No. 61/501,547 (“Wallen-Prov”)
Ex.1007	U.S. Patent Application Publication No. 2011/0269475 to F. Berggren et al. (“Berggren”)
Ex.1008	WIPO Publication WO 2010/117240 to M. Noh et al. (“Noh”)
Ex.1009	WIPO Publication WO 2012/084001 to M. Sagfors, et al. (“Sagfors”)
Ex.1010	U.S. Patent Application Publication No. 2012/0327894 to J. Axmon et al. (“Axmon”)
Ex.1011	U.S. Provisional Application No. 61/501,310 to J. Axmon et al. (“Axmon-Prov”)
Ex.1012	Prosecution history of U.S. Patent No. 10,939,446
Ex.1013	IV’s Preliminary Infringement Contentions for the ’670 patent, <i>Intellectual Ventures II, LLC v. Tesla, Inc.</i> , No. 6:24-cv-188-ADA (WDTX)
Ex.1014	IV’s Complaint, <i>Intellectual Ventures II, LLC v. Tesla, Inc.</i> , No. 6:24-cv-188-ADA (WDTX)
Ex.1015	Proposed Scheduling Order, <i>Intellectual Ventures II, LLC v. Tesla, Inc.</i> , No. 6:24-cv-188-ADA (WDTX)
Ex.1016	Statistics on District Court Timing

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Ex.1017	Interim Procedure for Discretionary Denials in AIA Parallel District Court Litigation, June 21, 2022
Ex.1018	GB 1201000, filed January 20, 2012
Ex.1019	U.S. Patent Application Publication No. 2013/0083749 to H. Xu et al.
Ex.1020	IV's Preliminary Infringement Contentions Cover Pleading, Intellectual Ventures II, LLC v. Tesla, Inc., No. 6:24-cv-188-ADA (WDTX)
Ex.1021 (NEW)	Statistics on District Court Timing (Dec. 31, 2024)
Ex.1022 (NEW)	WDTX 2024 Statistical Public Report, available at https://www.txwd.uscourts.gov/court-information/district-statistics/
Ex.1023 (NEW)	Amended Order Assigning the Business Of the Court (Judge Moses, Jan. 31, 2025)
Ex.1024 (NEW)	LexMachina docket report
Ex.1025 (NEW)	LexMachina docket report
Ex.1026 (NEW)	"Albright Worried Multipatent Trials Ask Too Much Of Jurors," Law360 (Dec. 18, 2020), at https://www.law360.com/articles/1337976/albright-worriedmultipatent-trials-ask-too-much-of-jurors
Ex.1027 (NEW)	Bifurcation Order – Videolabs, Inc. v. Asustek Computer, Inc. 6:22-cv-00720-ADA (WDTX)
Ex.1028 (NEW)	Joint Claim Construction Statement, <i>Intellectual Ventures II, LLC v. Tesla, Inc.</i>, No. 6:24-cv-188-ADA (WDTX)
Ex.1029 (NEW)	"The economic contributions of Tesla to the California economy, 2018–2021," IHS Markit (Oct. 2022), available at https://digitalassets.tesla.com/tesla-contents/image/upload/Tesla-California-Economic-Impact-

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	Final-Report-October-2022
Ex.1030 (NEW)	"Tesla's 'American-made' cars won't get hit as hard by the auto tariffs," CNN.com, https://www.cnn.com/2025/03/29/cars/american-made-cars-tesla-auto-tariffs/index.html, retrieved Apr. 14, 2025
Ex.1031 (NEW)	"An Assessment of the Impact of the Inter Partes Review Process under the Patent Trial and Appeal Board on the US Economy," The Perryman Group, available at https://www.perrymangroup.com/publications/report/2021/9/23/an-assessment-of-the-potential-impact-of-expanding-inter-partes-review-ipr-under-the-america-invents-act-on-the-us-economy/
Ex.1032 (NEW)	"Tesla's California Footprint," https://www.tesla.com/blog/teslas-california-footprint (retrieved Apr. 25, 2025)
Ex.1033 (NEW)	"FAQs for Interim Processes for PTAB Workload Management," available at https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management (retrieved May 13, 2025).
Ex.1034 (NEW)	Notice of <i>Sotera Plus</i> Stipulation for Defendant Tesla, Inc., <i>Intellectual Ventures II, LLC v. Tesla, Inc.</i>, 1:24-cv-884-ADA, ECF No. 59 (WDTX) (May 27, 2025)
Ex.1035 (New)	Defendant's Final Invalidity Contentions, <i>Intellectual Ventures II, LLC v. Tesla, Inc.</i>, 1:24-cv-884-ADA (WDTX) (May 22, 2025)

I. Introduction

Petitioner Tesla, Inc. opposes Patent Owner's Request for Discretionary Denial (Paper 6, "PO Brief") because denial is inappropriate under *Fintiv*, 35 U.S.C. § 325(d), and the additional factors set forth in the Acting Director's "Interim Processes for PTAB Workload Management" ("Director Memo").

With respect to *Fintiv*, this IPR is a "true alternative" to the parallel litigation in view of Petitioner's "*Sotera Plus*" stipulation that eliminates all potential overlap—including the overlap identified by the Acting Director in *Motorola Solutions*: "combinations of the prior art asserted in these proceedings with unpublished system prior art." *Motorola Solutions Inc. v. Stellar, LLC*. IPR2024-01205, Paper 19 at 3-4 (Mar. 28, 2025). Further, at institution, the district court will not have issued any orders related to the '670 patent, which "weighs against" denial under *Fintiv*. Moreover, trial in the parallel litigation is unlikely to happen prior to a Final Written Decision, in view of (i) the median time to trial for this Court, (ii) Judge Albright's move to Austin and corresponding 40% increase in docket size, and (iii) the sheer number of patents asserted (eleven) by Patent Owner against Petitioner.

With respect to § 325(d), neither of the cited references (Berggren nor

Wallen) satisfy both parts of the *Advanced Bionics* two-part framework.¹ Berggren does not satisfy part one because it cannot be cumulative to a reference (Xu) that was disqualified as prior art during prosecution. Wallen does not satisfy part two because it was not used in any rejection during prosecution of the '670 patent, and, although Wallen appears in an IDS, the Office erred in a manner material to patentability. The Examiner overlooked key disclosures of Wallen that disclose or render obvious the specific limitation added to gain allowance, limitation [1.6]. The Office thus issued the '670 patent in error.

The additional factors listed in the Director Memo similarly weigh against denial. The United States has a compelling economic and national security interest in ensuring Tesla, a leading domestic manufacturer and innovator, has access to cost-effective PTAB review when accused of infringement. Congress passed the AIA specifically to curtail counterproductive litigation costs. Intellectual Ventures ("IV") has no compelling interest or expectation sufficient to avoid PTAB review under the circumstances here. IV only recently prosecuted the '670 patent to issuance in December 2021, apparently for the sole purpose of monetization. IV is similarly wrong that denial is warranted based upon Petitioner's use of expert

¹ See *Advanced Bionics, LLC v. Med-El Elektromedizinische Geräte GMBH*, IPR2019-01469, Paper 6 at 8 (Feb. 13, 2020) (precedential) ("*Advanced Bionics*").

testimony. Such testimony is appropriate (even necessary) under Federal Circuit precedent and supported by evidence. Most importantly, the merits of the Petition are strong, uncontested at this stage, and warrant review by a merits panel.

For these reasons and the reasons below, Petitioner respectfully requests that the Director decline to exercise her discretion to deny and advance the Petition to a merits panel for consideration.

II. Discretionary denial under *Fintiv* is not warranted.

The *Fintiv* factors, considered as a whole, do not warrant denial. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (Mar. 20, 2020) (precedential). Every factor either favors institution or is neutral—where Factor 4 weighs ***strongly*** toward institution given Petitioner's "*Sotera Plus*" stipulation that is broader than the scope of estoppel under 35 U.S.C. § 315(e)(2).

A. Factor 1 is neutral: No evidence regarding a stay.

No motion to stay has been filed, so the Board should not infer the outcome of such a motion. *Sand Revolution II, LLC v. Continental Intermodal Group – Trucking LLC*, IPR2019-01393, Paper 24 at 7 (June 16, 2020) (informative). This factor is thus neutral.

B. Factor 2 favors institution: The parallel proceeding trial date is speculative.

Factor 2 favors institution, or, at worst, is neutral. Trial is currently set for May 14, 2026, which is less than two months before the projected due date for the

Final Written Decision on July 9, 2026. Ex.2003, 4. Under *Fintiv*, “[i]f the court’s trial date is at or around the same time as the projected statutory deadline..., the decision whether to institute will likely implicate other factors.” *Fintiv* at 9. Here, because the trial date is around the same time as the projected Final Written Decision, other factors—in particular Petitioner’s “*Sotera Plus*” stipulation (see below)—outweigh Factor 2.

Moreover, the less than two-month gap between the trial date and Final Written Decision (as opposed to the six-month trial gap in *Fintiv*) “increases the possibility here that any unforeseen delay in the district court proceeding could cause the order of those two events to reverse.” *Cisco Sys., Inc. v. Portsmouth Network Corp.*, IPR2024-00503, Paper 7 at 12-13 (Aug. 6, 2024) (citing *Fintiv* at 9). Such delay is likely here for several reasons.

First, the scheduled trial date of May 14, 2026, is inconsistent with the median time-to-trial in WDTX of 33.9 months – which instead puts trial in January of 2027, **after** the projected final written decision on July 9, 2026. See Ex.1021, 5; see also *Amazon.com, Inc. v. NL Giken Inc.*, IPR2025-00250, Paper 14 at 2 (May 16, 2025) (Acting Director finding discretionary denial inappropriate because “time-to-trial statistics suggest trial would not begin until” after the projected final written decision date); USPTO Guidance of March 24, 2025 (“Boalick Memo”) (“the Board may consider...median time-to-trial statistics”). It is likely the

scheduled trial date will move more in line with the median time-to-trial statistics

because Judge Albright is moving his chambers from the Waco division (a division with a limited docket) to the Austin division (a division with a much heavier docket). *See* Ex.1022 (WDTX 2024 Statistical Report), 1 (809 case filings in Waco, 1,765 case filings in Austin).

Moreover, Judge Albright's docket is further expanding beyond the median. For example, until the vacancy in Waco is filled, Judge Albright will retain his *entire* Waco docket while taking on **40%** of the docket in the Austin division, as ordered by Chief Judge Moses on January 31st:

Item VIII

U.S. District Judge Alan D. Albright:

- (a) Forty percent (40%) of the civil docket in the Austin Division;
- (b) Forty percent (40%) of the criminal docket in the Austin Division;
- (c) One hundred percent (100%) of the civil docket in the Waco Division, with the exception of patent cases;
- (d) One hundred percent (100%) of the criminal docket in the Waco Division;
- (e) Patent cases will be assigned as ordered on May 30, 2024, in the Court's Order Assigning the Business of the Court as it Relates to Patent Cases; and
- (f) All other proceedings in the Waco Division.

Ex.1023, 3. Further, in the three months since this order, at least 382 cases have been reassigned to Judge Albright, including 61 patent cases. *See* Ex.1024 (LexMachina report); Ex.1025 (LexMachina report). At least 16 of these 61 new patent cases on Judge Albright's docket were filed in the same month as the

present parallel litigation or before. *See* Ex.1025. The sheer number, type, and timing of the new cases reassigned to Judge Albright will inevitably lead to delay, likely pushing the trial date in the instant parallel litigation past the Final Written Decision in this IPR.

Second, there are *eleven* patents asserted in the parallel litigation.² Ex.1017, 2. These eleven patents span *nine* different families that vary widely in subject matter:

² Patent Owner originally asserted twelve patents, but the parties jointly moved to dismiss with prejudice their respective claims for U.S. Patent No. 8,898,395. The court granted the motion on May 16, 2025.

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Patent	Title	Family
6,894,639	Generalized hebbian learning for principal component analysis and automatic target recognition, systems and method	A
7,181,743	Resource allocation decision function for resource management architecture and corresponding programs therefor	B
7,336,805	Docking assistant	C
7,916,180	Simultaneous multiple field of view digital cameras	D
9,232,158	Large dynamic range cameras	D
9,706,500	Power control in a wireless network	E
10,136,416	Communicating on a shared channel in a wireless network	F
10,292,138	Determining buffer occupancy and selecting data for transmission on a radio bearer	G
10,952,153	Power control in a wireless network	E
11,206,670	Communication in a wireless network using restricted bandwidths	H
11,664,889	Communications in a wireless network	I

The notion that a jury will be asked to consider eleven patents across nine families in a single trial starting on May 14, 2026 is unreasonable. Indeed, Judge Albright has publicly stated that he does not think it is “fair to have a jury trying to handle more than two or three patents at a time.” Ex.1026; *see also* Ex.1027 (example Albright bifurcation order). A trial for any given patent of the eleven asserted is therefore likely to occur later than the currently scheduled date.

Accordingly, Factor 2 favors institution in view of the minimal trial gap and inevitable delay in the parallel proceeding due to (i) Judge Albright's move and corresponding docket increase and (ii) the large number and scope of asserted

patents.

C. **Factor 3 favors institution: Minimal relevant investment and expeditious filing.**

Factor 3 favors institution because, at institution, investment by the court and parties will have been minimal as to the activities pertinent to *Fintiv*. Patent Owner's Request for Discretionary Denial includes a laundry list of activities allegedly showing substantial investment, but very few relate to invalidity of the '670 patent. *See* PO Brief, 4-5. Under *Fintiv*, "[i]f, at the time of the institution decision, the district court has not issued orders *related to the patent at issue in the petition*, this fact weighs against exercising discretion to deny institution." *Fintiv*, 10. Here, even if the court issues a *Markman* order prior to institution, there are no disputed claim terms associated with the '670 patent, *see* Ex.1028 (Joint Claim Construction Statement), 2-3, so there are no claim terms in the '670 patent for the court to construe. Thus, under *Fintiv*, the lack of an order related to the '670 patent weighs against discretionary denial.

Further, *Sotera* explains that, even after *Markman* is complete, "much other work remains in the parallel proceeding as it relates to invalidity," including "fact discovery," "expert reports," and "substantive motion practice." *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 16 (Dec. 1, 2020) (precedential as to § II.A). The informative *Fintiv* and *Sand* decisions similarly observe that even after *Markman*, much work remains. *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019,

Paper 15 at 13-14 (May 13, 2020) (informative) (“We recognize that much work remains in this case as it relates to invalidity: fact discovery is in its early stages, with document production ongoing and depositions just getting underway, expert reports are not yet due, and substantive motion practice is yet to come.”); *Sand Revolution*, 10 (“But aside from the district court’s *Markman* Order, much of the district court’s investment relates to ancillary matters untethered to the validity issue itself.”).

Here, although the *Markman* hearing occurred prior to institution, much work will remain in the ten months between institution (July 9, 2025) and the scheduled trial date (May 14, 2026)—especially given that the district court will not construe any terms for the ’670 patent. Fact discovery will be in its early stages and will not close until November 6, 2025. Ex.2003, 3. Opening expert reports are not due until November 20, 2025, and expert discovery will not close until January 15, 2026. *Id.* Substantive motion practice, similarly will be yet to come. *Id.* at 3-4. Accordingly, because much of the investment relevant to issues of invalidity will occur after institution, this factor weighs against denial. Notably, a recent PTAB panel analyzing *Fintiv* under the Boalick Memo came to the same conclusion under similar facts. *See Bio-Rad Labs., Inc. v. California Inst. of Tech.*, IPR2024-01451, Paper 11 at 9-10 (Mar. 27, 2025) (finding that Factor 3 “weighs against exercising our discretion to deny institution” where the *Markman* hearing has been

held but “much more work remains, including, expert reports, expert discovery, expert depositions, and pretrial motions and disclosures”).

This factor also weighs against denial because “the petitioner filed the petition expeditiously.” *Fintiv*, 11. As such, “this fact [] weigh[s] against exercising the authority to deny institution.” *Id.* Here, Petitioner worked diligently to file the instant petition less than five months after receiving Patent Owner’s Preliminary Infringement Contentions and more than four months prior to the statutory deadline of April 15, 2025. At the time of filing, the parallel litigation was in its early stages and claim construction briefing had yet to begin. Petitioner submits that its diligence in filing is more than reasonable—especially given that it prepared and filed *eleven* IPR petitions challenging *121* claims in the same time frame. *See Sotera*, 17 (finding Petitioner’s explanation “reasonable” in part because “of the large number of patents and claims challenged in this and Petitioner’s [eight] other related petitions for *inter partes* review”). Several post-Boalick Memo panels have agreed that similar diligence is reasonable and weighs against denial. *See Samsung Elecs. Co., Ltd. v. Mullen Industries LLC*, IPR2024-01472, Paper 9 at 10 (Mar. 31, 2025) (“Petitioner’s diligence in filing its Petition (a) less than five months after receiving Patent Owner’s infringement contentions and (b) prior to the parties briefing claim construction issues weighs against exercising discretionary denial.”); *Samsung Elecs. Co., Ltd. v. Headwater*

Research LLC, IPR2024-01396, Paper 13 at 7 (Apr. 1, 2025) (“[W]e find

Petitioner's diligence in filing its Petition approximately 4 months before it was statutorily required to do so, and while litigation is in its early stages, weighs against denial, not for it.”).

Accordingly, Factor 3 weighs in favor of institution because (i) no substantive court order related to the '670 patent will have issued prior to institution, and (ii) Petitioner's diligence in filing this petition.

D. Factor 4 strongly favors institution: Petitioner's “*Sotera Plus*” stipulation.

Factor 4 weighs strongly in favor of institution because Petitioner has made a stipulation ***broader*** than a *Sotera* stipulation in district court. *See* Ex.1034, 3 (stipulation filed in parallel district court proceeding). Specifically, Petitioner stipulated that:

Defendant hereby stipulates, broader than the stipulation made by the Petitioner in *Sotera* that, if the PTAB institutes an IPR (and does not subsequently vacate institution) in response to Defendant's petition against Plaintiff's U.S. Patent No. 11,206,670 (IPR2025-00220), Defendant will not pursue in this litigation against the claims challenged in IPR2025-00220, (i) the specific grounds raised in IPR2025-00220, (ii) any other grounds that could have reasonably been raised before the PTAB in that instituted proceeding (i.e., any ground that could have reasonably been raised under §§ 102 or 103 on the basis of prior art patents or printed publications), or (iii) any ground based on a combination of system prior

art and the references asserted as part of a ground raised in IPR2025-00220, as reflected in the table summarizing the Statutory Grounds for Challenges on page 16 of the Petition.³

Petitioner's broad stipulation goes beyond the scope of estoppel under 35 U.S.C. § 315(e)(2). *See Ingenico Inc. v. IOENGINE, LLC*, No. 2023-1367, 2025 WL 1318188, at *8 (Fed. Cir. May 7, 2025) ("IPR estoppel did not preclude

³ To the extent Patent Owner alleges Petitioner should have submitted a stipulation at some earlier point in time, Petitioner notes that it filed the Petition prior to the creation of the bifurcated process described in the Director Memo. At the time of filing on November 25, 2024, PTAB precedent provided that the "appropriate time for a petitioner to offer a stipulation related to the *Fintiv* factor 4 analysis is prior to the Board's decision of whether to institute review." *NXP USA, Inc. v. Impinj, Inc.*, IPR2021-01556, Paper 13 at 4 (Sept. 7, 2022) (de-designated precedential Apr. 25, 2025); *see also Nike, Inc. v. ADIDAS AG*, 955 F.3d 45, 52 (Fed. Cir. 2020) ("In interpreting the APA's notice provisions in the context of IPR proceedings, we have cautioned that an agency may not change theories in midstream without giving respondents reasonable notice of the change and the opportunity to present argument under the new theory.") (citation and quotation marks omitted).

Petitioner does not oppose the Director granting Patent Owner a reply for the limited purpose of addressing the above stipulation.

Ingenico from relying on the DiskOnKey System with related printed publications at trial...). This stipulation also specifically addresses the Acting Director's comment regarding remaining overlap in *Motorola Solutions* (combinations of system art with the references asserted in the IPR). IPR2024-01205, Paper 19 at 3-4 ("Petitioner's invalidity arguments in the district court are more expansive and include combinations of the prior art asserted in these proceedings with unpublished system prior art, which Petitioner's [*Sotera*] stipulation is not likely to moot."). Petitioner respectfully submits that this expansive stipulation outweighs all other *Fintiv* factors as it conclusively eliminates overlap with invalidity issues raised in the parallel proceeding.

Also favoring institution under Factor 4 is the lack of overlapping claims between the IPR and the parallel litigation. The Petition challenges *eighteen* claims (claims 1-18), but only *five* claims (claims 1-5) are currently asserted against Petitioner (*i.e.*, 72% of the challenged claims are not asserted). And only those five asserted claims are the subject of Petitioner's invalidity contentions in the parallel litigation. *See* Ex.1035, 6, 33 (asserting invalidity of "**the Asserted Claims of the Asserted Patents**"). Petitioner elected to challenge additional, unasserted claims for efficiency reasons—for example, to avoid filing a second IPR in the event Patent Owner asserts additional claims in the parallel litigation.

These additional challenged (but unasserted) claims differ in claim scope

from the asserted claims, meaning that key issues in the petition will not be resolved by the district court—further reducing the degree of overlap under Factor 4. *See Fintiv*, 13 (examining whether the district court will “resolve key issues in the petition”).

Accordingly, Factor 4 weighs heavily in favor of institution because of (i) Petitioner's *Sotera* Plus stipulation and (ii) invalidity issues in the Petition that will not be resolved by the district court.

E. Factor 5 is neutral: Petitioner is a defendant in the parallel litigation.

Petitioner is a defendant in the parallel litigation. That is true of most IPR petitioners, making this factor neutral. *See HP Inc. v. Slingshot Printing LLC*, IPR2020-01084, Paper 13 at 9 (Jan. 14, 2021); *see also NVIDIA Corp. v. Invensas Corp.*, IPR2020-00603, Paper 11 at 23 (Sept. 3, 2020) (this factor weighs against discretionary denial where the district court trial and IPR final written decision are expected “around the same time”).

F. Factor 6 favors institution: The merits of the Petition remain strong because Patent Owner does not present any substantive arguments.

Factor 6 favors institution because the Petition plainly shows that the '670 patent claims no more than well-known subject matter. Patent Owner alleges that “[t]he challenges set forth in the Petition are flawed,” but does so based only on Dr. Ding's declaration allegedly being too similar to the Petition. PO Brief at 9-

10. The Petition, however, properly relies on expert testimony, as shown in Section IV.B below. Patent Owner otherwise does not present any arguments related to the merits.

G. The *Fintiv* factors as a whole favor institution.

In summary, each *Fintiv* factor is either neutral or weighs against denial:

Factor	Weight	Reason
1 (stay)	neutral	no evidence of a stay
2 (trial gap)	against denial	2-month gap as scheduled; trial before FWD under time-to-trial stats; Judge Albright move and court congestion will create delay
3 (investment)	against denial	no court orders for '670 patent; expeditious filing
4 (overlap)	strongly against denial	<i>Sotera Plus</i> stipulation; key issues not resolved by district court
5 (same party)	neutral	Petitioner is defendant
6 (merits)	against denial	merits are strong; PO did not contest substance in PO Brief

Because the *Fintiv* factors as a whole favor institution, the Director should not discretionarily deny institution under §314(a).

III. Discretionary denial under § 325(d) is not warranted.

“[A]s the party requesting that [the Director] exercise [her] discretion to deny institution under § 325(d),” Patent Owner bears the burden of proof. *Geotab USA, Inc. v. Omega Patents, LLC*, IPR2023-00504, Paper 11 at 16 (July 25, 2023) (citing 37 C.F.R. § 42.20(c)). Patent Owner failed to meet that burden because it failed to establish that both parts of the *Advanced Bionics* framework are satisfied.

Neither the IPR art nor the arguments are the same or substantially the same as those previously presented to the Office, leaving part one unsatisfied. And, even if the Director were to move to part two of *Advanced Bionics*, the Office erred in a manner material to the patentability of the Challenged Claims, leaving part two unsatisfied.

A. Patent Owner has not shown that either condition of *Advanced Bionics* part one is satisfied.

Under *Advanced Bionics*, the Director first must decide “whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office.” *Advanced Bionics* at 8. *Becton, Dickinson*⁴ factors (a), (b), and (d) are the relevant factors that should be considered in this analysis. *Id.* at 10.

As shown below, Patent Owner has not shown that Berggren is substantially the same as or cumulative of the art cited during examination.

1. *Becton, Dickinson* factor (a) weighs against denying institution.

Becton, Dickinson factor (a) addresses “the similarities and material differences between the asserted art and the prior art involved during

⁴ See *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 (Dec. 15, 2017) (precedential as to § III.C.5, first paragraph) (“*Becton, Dickinson*”).

examination.” *Advanced Bionics*, 9, n. 10. Patent Owner’s analysis of *Becton, Dickinson* factor (a) only addresses Wallen. PO Brief at 14-27. Petitioner does not dispute that during prosecution of the ’670 patent Wallen was identified in an IDS and marked as being considered, Ex.1002, 31, and is listed in the Examiner’s EAST search history, Ex.1002, 37. But, because the Petition asserts a **combination** of Wallen and Berggren, and Berggren was never before the Office (as shown in the analysis of factor (b))⁵, factor (a) weighs against denial.

2. Becton, Dickinson factor (b) weighs against denying institution.

Becton, Dickinson factor (b) presupposes that the art evaluated during examination is **prior** art. *Advanced Bionics*, 9, n.10 (*Becton, Dickinson* factor (b) is “the cumulative nature of the asserted art and the **prior art** evaluated during examination.”) (emphasis added), but the art evaluated during prosecution of the ’670 patent was argued by Applicant not to be prior art, as discussed below.

Patent Owner’s only argument regarding Berggren is that it is cumulative of Xu under *Becton, Dickinson* factor (b). PO Brief at 27-32. Patent Owner’s arguments comparing the disclosures of Berggren and Xu are misplaced and

⁵ The only argument Patent Owner makes regarding Berggren is that it is cumulative of Xu, and Patent Owner made the argument in the context of *Becton, Dickinson* factor (b), which is addressed in Section III.A.3 below.

irrelevant because Applicant argued during prosecution that Xu is not prior art.

Ex.1002, 64 (“The Applicant believes that the reference ‘Xu’ does not qualify as prior art under 35 U.S.C § 102(e).”). Specifically, as noted in the Petition,

Applicant argued that Xu is not prior art to the '670 patent because of the filing date of its foreign priority application. Petition, 11-12 (citing Ex.1002, 65-67).

Patent Owner assumes Xu is prior art in the PO Brief for the purposes of § 325(d), but that assumption directly contradicts Applicant's positions during prosecution of the '670 patent and is thus improper.

In addition, assuming *arguendo* that Xu is prior art, Xu is not cumulative of Berggren (nor has Patent Owner demonstrated that it is cumulative). Patent Owner merely copied and pasted Berggren paragraphs [0073]-[0074] in its brief and copied and pasted Xu (Ex.1019) paragraphs [0062]-[0066] for reader comparison. PO Brief at 28-32. Berggren clearly demonstrates that a PBCH includes an MIB, Berggren, [0074] (“The downlink system bandwidth is included in the so called master information block (MIB) which ... is transmitted ... on the BCH (Broadcast Channel). The BCH is a transport channel which in turn is mapped to the PBCH (Physical BCH)...”); Pet., 42-43, whereas Xu does not. For example, none of paragraphs [0062]-[0066] in Xu mentions an MIB, and the only mention of an MIB in Xu is in [0068], and, unlike Berggren, this paragraph does not clearly connect an MIB to a PBCH.

In summary, because Berggren is not cumulative of a reference considered to be prior art, *Becton, Dickinson* factor (b) weighs against denying institution.

3. *Becton, Dickinson* factor (d) weighs against denying institution.

Becton, Dickinson factor (d) addresses “the extent of the overlap between the arguments made during examination and the manner in which petitioner relies on the prior art.” *Advanced Bionics*, 9, n.10. Patent Owner relies on its arguments for *Becton, Dickinson* factor (a) to conclude that because “Wallen was extensively evaluated during prosecution of the ’363 application...and was also clearly considered by the Examiner during prosecution of the ‘670 patent,” it apparently was the “evident view of the Examiner that Wallen was unsuitable for establishing a rejection.” PO Brief at 32-33. However, as more fully explained *infra* in the analysis of *Becton, Dickinson* factor (c), the manner in which Wallen was applied during prosecution of the ’363 application is substantively different than the way Wallen is addressed in the Petition because ***the claims of the ’363 application have a different scope*** (for example, there is no limitation similar to limitation [1.6] of the ’670 patent that resulted in allowance), so there is little-to-no overlap in how Wallen is applied. However, setting aside Wallen, Patent Owner merely repeats the argument that Berggren is cumulative of art cited in prosecution (Xu), PO Brief at 33, which is incorrect as explained *supra* in the analysis of *Becton, Dickinson* factor (b).

Thus, for these reasons, *Becton, Dickinson* factor (d) weighs against denying institution.

4. Conclusions for *Advanced Bionics* part one

Taken together, the proper analysis of factors (a), (b), and (d) of *Becton, Dickinson* demonstrates that Patent Owner has not met its burden of showing that part one of the *Advanced Bionics* framework is satisfied for Petitioner's only ground, which relies on a combination of Wallen and Berggren, because Patent Owner has not shown that Berggren is substantially the same as or cumulative of any reference (such as Xu) considered to be prior art. Accordingly, the Director can end her analysis here and decline to exercise her discretion under § 325(d).

B. The Office materially erred during prosecution of the '670 patent.

Should the Director consider *Advanced Bionics* part two, the Office erred "in a manner material to the patentability of the challenged claims[,]" and thus the Director should not exercise her discretion under § 325(d). *Advanced Bionics*, 8. *Becton, Dickinson* factors (c), (e), and (f) are considered in *Advanced Bionics* part two and all weigh against denying institution under § 325(d).

1. *Becton, Dickinson* factor (c) weighs against denying institution.

Becton, Dickinson factor (c) addresses "the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection." *Advanced Bionics*, 9, n.10. Wallen was not applied in any rejection

during prosecution of the '670 patent or during prosecution of related patent U.S.

Patent No. 10,939,446. *See* Petition, 11-15. (The '670 patent and U.S. Patent No. 10,939,446 are linked via a terminal disclaimer. *Id.*; Ex.1002, 45.)

Patent Owner does not dispute this and instead focuses on the prosecution of Application No. 14/372,363 ("the '363 application"), which is the grandparent of the '670 patent. PO Brief, 22-25. During that prosecution, Wallen was applied to reject claims in three Office Actions. Ex.2005, 13-30, 72-85, 97-110. The rejected claims, however, ***were substantively different than the challenge claims of the '670 patent.*** Most notably, they lacked any limitation corresponding to limitation [1.6] of the '670 patent that resulted in allowance ("*wherein the indicated frequency resources and the time resources include control information for use by the UE to acquire a system information block 1*"). Ex.1002, 15-21. For example, pending independent claim 40 of the '363 application is representative and as amended recites (Ex.2005, 46-47):

40. (Currently Amended) *A base station comprising:*

a processor configured to wirelessly communicate with a first type of terminal device and a second type of terminal device;

a transceiver configured to transmit a first signal on a long term evolution (LTE) host carrier, wherein the first signal includes a master information block (MIB), ~~wherein the MIB~~ that includes bits indicating a ~~second frequency band~~ subordinate carrier for use by the second type of terminal device;

the transceiver further configured to transmit a second signal to the first type of terminal device on the LTE host carrier having radio resource segments allocated in a first time period, wherein each radio resource segment uses radio resources across ~~a first host frequency band~~ bandwidth;

the transceiver further configured to transmit a subordinate carrier master information block (MIB) that indicates a subordinate bandwidth, wherein resource elements of the subordinate bandwidth are based on a length of the subordinate carrier master information block (MIB);

the transceiver further configured to, ~~within the second frequency band~~, transmit, on the subordinate carrier, a third signal to the second type of terminal device ~~using a subordinate carrier~~ with allocated resources that are a subset of the LTE host carrier radio resource segments in the first time period;

wherein the ~~second frequency band~~ subordinate bandwidth is narrower than the ~~first frequency band~~ host bandwidth and contained within the host bandwidth ~~first frequency band~~; and

wherein in a second time period the subset of the LTE host carrier radio resource segments is used to communicate with the first type of terminal device.

The claim has little-to-no substantive overlap with challenged claims 1-18 of the '670 patent. Thus, Wallen was not the basis for rejection of any claim that is substantively similar to challenged claims 1-18 of the '670 patent. Moreover, even if the claims presented in the '363 application were similar to the challenged

claims in the '670 patent, such a scenario would weigh *against* denial because the '363 application was abandoned after the Wallen rejection—indicating that the Examiner correctly applied Wallen. Ex.2005, 6.

Additionally, the Examiner of the '363 application, Examiner Wood, Ex.2005, 5, was different than the Examiner (Examiner Nooristamy) of the '670 patent and U.S. Patent No. 10,939,446. *See, e.g.*, Ex.1002, 10; and Ex.1012, 8. Petitioner agrees with Patent Owner that the Examiner in prosecution of the '670 patent was aware of Wallen during prosecution of the '670 patent, *see* PO Brief, 14-21, but the Examiner erred by misapprehending or overlooking Wallen's key disclosure as explained below in Section III.B.2. *Advanced Bionics* at 8, n. 9 ("An example of a material error may include misapprehending or overlooking specific teachings of the relevant prior art...").

In summary, Wallen was not the basis for any rejection during prosecution of the '670 patent or related patent U.S. Patent No. 10,939,446 (that is linked via terminal disclaimer). Wallen was the basis for rejections during prosecution of the related '363 application, but the claims of the '363 application have a different scope, the Examiner was different, and prosecution was abandoned after the Wallen rejection. Therefore, *Becton, Dickinson* factor (c) weighs against denying institution.

2. ***Becton, Dickinson* factors (e) and (f) weigh against denying institution.**

Becton, Dickinson factor (e) addresses “whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art,” and factor (f) is “the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments.” *Advanced Bionics*, 9, n.10. Both factors weigh against denying institution.

Regarding factor (e), limitation [1.6] was added to claim 1 via Examiner's amendment, Ex.1002, 15-21, resulting in a notice of allowance, *id.*, 9-21, as explained in the Petition (at 11-12). As also explained in the Petition, and supported by Dr. Zhi Ding's declaration, Wallen alone discloses or renders obvious limitation [1.6]. Petition, 50-53; Ex.1003, ¶¶90-92. Wallen was not applied in any rejection during prosecution of the '670 patent (or during prosecution of related patent U.S. Patent No. 10,939,446 that is linked via a terminal disclaimer). *See* Petition, 11-15. More specifically, the Examiner erred during prosecution of the '670 patent by misapprehending or overlooking Wallen, including Wallen's paragraphs [0068] and [0072] and Figure 9, which are a basis for Petitioner's mapping to limitations [1.4]⁶ and [1.6]. Petition, 46-49 (for [1.4]), 50-53 (for [1.6]). The arguments in the Petition, and supported by Dr. Ding's declaration,

⁶ Limitation [1.4] provides antecedent basis for limitation [1.6], the limitation that resulted in allowance.

demonstrate how the Examiner erred by overlooking or misapprehending this key disclosure of Wallen, including as applied to the allegedly allowable limitation [1.6] that was added via Examiner's amendment. *See, e.g., Apple Inc. v. Smith Interface Technologies, LLC*, IPR2024-01084, Paper 7 (Jan. 28, 2025), 31 (finding material error where the Examiner allowed the claims "without addressing" two figures "material to patentability").

In more detail, as discussed in the analysis of limitations [1.4] and [1.6] in the Petition, Wallen's MIB indicates the frequency and time locations of "resource blocks" (*the indicated frequency resources and the time resources*) "allocated to a specific M-PDCCH" which, in turn, includes "control information" (*control information*) such as "downlink assignments pointing to the SIBs" (*for use by the UE to acquire a system information block*). Ex.1005, [0072] ("**[T]he MIB 901 indicates the resource blocks...allocated to a specific M-PDCCH...The M-PDCCH supplies control information to the MTC device including...downlink assignments pointing to the SIBs that are intended for this MTC device.**"); Ex.1006, 9. Wallen's MIB that provides the location in frequency and time of the M-PDCCH is illustrated in Figure 9, indicated by the number "5" enclosed in a circle. An example of one of Wallen's "SIBs" is SIB1, as disclosed in Wallen. Ex.1005, [0068] ("**[T]he MIB 901 ... includes time/frequency information ... that informs the MTC device of a location of the resource blocks ... allocated to the**

first system information block (SIB 1)"); Ex.1006, 9. A more detailed mapping is provided in the Petition at 46-49 (limitation [1.4]) and 50-53 (limitation [1.6]).

Regarding *Becton, Dickinson* factor (f), the Petition, supported by the testimony of Dr. Ding, presents a detailed analysis of the provisional application relied upon by Wallen to demonstrate that (i) Wallen is entitled to the filing date of its provisional application, and (ii) Wallen discloses the subject matter the Examiner found allowable. *See* Petition, 17-29, 50-53; Ex.1003, pp. 75-102, ¶¶90-92. The additional evidence and facts contained within and cited by Dr. Ding's declaration illustrate that reconsideration of Wallen is warranted because disclosure material to patentability was overlooked.

Patent Owner's only arguments regarding factors (e) and (f) is that the Petition does not sufficiently address material error. PO Brief at 33-35. However, for all the reasons provided above, *Becton, Dickinson* factors (e) and (f) weigh against denying institution.

3. Conclusions for *Advanced Bionics* part two

As shown above in the analysis of *Becton, Dickinson* factors (c), (e), and (f), Wallen combined with Berggren "was not a basis for rejection during examination, is not substantially the same as prior art the Examiner applied, and includes specific teachings [such as Wallen paragraphs [0068] and [0072]] that 'impact patentability of the challenged claims.'" *See Ecto World, LLC et al. v. RAI*

Strategic Holdings, Inc., IPR2024-01280, Paper 13 at 5 (May 19, 2025) (quoting *Advanced Bionics*). Thus, Patent Owner has failed to show that the second part of *Advanced Bionics* is satisfied.

C. Conclusions for § 325(d).

Patent Owner has not shown that either part of the *Advanced Bionics* framework provides any basis for discretionary denial under § 325(d). Thus, discretionary denial under § 325(d) is not warranted.

IV. The additional factors set forth in the Memorandum favor institution

The Director Memo invites the parties to “address all relevant [discretionary denial] considerations” and provides a list of potential factors. Director Memo, 2-3. Each of the potential factors favors institution:

- The United States has a compelling economic and national security interest in ensuring Tesla, a leading domestic manufacturer and innovator, has access to cost-effective AIA proceedings.
- The Petition relies upon expert testimony to the extent necessary under Federal Circuit precedent, and such expert testimony is supported by evidence as required under 37 CFR § 42.65 and *Xerox*.
- Patent Owner cannot reasonably allege settled expectations regarding the '670 patent given that it only issued three and a half years ago and the lack of any post-issuance validity challenge.
- The unpatentability challenges in the Petition remain strong because Patent Owner presents no substantive arguments regarding the merits.
- Neither the PTAB nor any other forum has adjudicated the validity of

the '670 patent.

- Patent Owner does not allege any relevant changes in the law or new judicial precedent since issuance of the claims.

Several of these factors are of particular importance to the Director's discretion and are addressed individually below.

A. Compelling economic and national security interests favor institution.

The United States has compelling economic and national security interests in affording Petitioner Tesla the opportunity to challenge the '670 patent under the more efficient IPR framework. For example, according to a recent Executive order, “[a] nation’s ability to produce domestically is the bedrock of its ***national and economic security***” and “[t]he need to maintain robust and resilient domestic manufacturing capacity is ***particularly acute in certain advanced industrial sectors like automobiles***” Exec. Order No. 14257, 90 Fed. Reg. 15041, 15043 (April 2, 2025). As a leading domestic automobile manufacturer, Tesla should be free to invest and innovate without being encumbered by defending expensive patent litigations where the asserted patents are likely invalid. A right to seek review of such patents before the U.S. Patent and Trademark Office ensures Tesla can continue its mission to accelerate the world’s transition to sustainable energy and that the United States leads in that mission.

Tesla has invested billions of dollars developing high-tech engineering and

manufacturing facilities across the U.S., including in Texas, Nevada, and California. These investments have led to significant, positive economic impacts for the associated areas. Ex.1029 (IHS Markit economic report), 3 (“The contributions of Tesla to the California economy” in 2021 included \$16.6 billion in economic activity, \$10.3 billion in gross state product (GSP), ~80,500 jobs, +30% higher average wage, \$10.3 billion in total wages, and ~\$1.0 billion in federal, state, and local taxes.) (cited by Ex.1032 (“Tesla’s California Footprint” on Tesla.com)). And, by design, Tesla’s vehicles are “[a]s ‘American-made’ as you can get,” and have topped “Car[s].com’s American-Made Index since 2021.” Ex.1030, 1-2 (“Tesla’s manufacturing, both as location of final assembly and the componentry of the vehicles, is all as high (a score on the index) as you could possibly get for a US-made vehicle.”).

This type of advanced domestic engineering and manufacturing capacity “is critical to U.S. national security.” Exec. Order No. 14257, 90 Fed. Reg. 15041, 15043 (April 2, 2025) (“Both my first Administration in 2017, and the Biden Administration in 2022, recognized that increasing domestic manufacturing is critical to U.S. national security.”). Domestic engineering and manufacturing not only provide good jobs for American workers but advance important technological developments and associated knowhow domestically. *See id.* (“Increased reliance on foreign producers for goods also has compromised U.S. economic security by

rendering U.S. supply chains vulnerable to geopolitical disruption and supply shocks.”), 15044 (“Importantly, U.S. manufacturing is the main engine of innovation in the United States, responsible for 55 percent of all patents and 70 percent of all research and development (R&D) spending.”).

It is vital that companies, like Tesla, making huge investments in the U.S. are provided an effective and efficient mechanism for challenging invalid patents asserted against them. Congress created the AIA for this purpose. 77 Fed. Reg. 48612, 48612 (Aug. 14, 2012) (“The purpose of the AIA ... is to establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.”); *see also Gen. Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 16-17 (Sept. 6, 2017) (“[W]e recognize that an objective of the AIA is to provide an effective and efficient alternative to district court litigation.”). AIA proceedings create cost savings for its participants via “reductions in legal fees incurred and the greater probability of a settlement or early-stage resolution.” Ex.1031 (study of AIA economic benefits), 2, 8 (“[T]he total economic benefits of *inter partes* reviews resulting in stay of litigation in district court included **an increase in US business activity of \$1.87 billion in gross product and 8,530 job-years of employment**”; “In situations where an *inter partes* review was conducted parallel to a district court proceeding, the economic benefits of [*inter partes* reviews] include

estimated **increases of \$135.4 million in US gross product and 617 person-years of employment**").

Telsa is seeking review of the '670 patent consistent with the purpose of AIA post-grant proceedings: efficient, technically reliable assessments of validity. And Tesla's broad *Sotera* Plus stipulation makes the IPR a true district court alternative. Denying Tesla access to IPR in this scenario would frustrate the purpose of the AIA and deny Tesla the specific economic benefits envisioned by Congress.

For these reasons, compelling economic and national security interests favor institution (or, at the very least, consideration of the Petition by a merits panel).

B. The Petition properly relies on evidence-supported expert testimony in accordance with Federal Circuit precedent.

Patent Owner's assertion that Petitioner's reliance on expert evidence is somehow detrimental contradicts Federal Circuit precedent. The foundational decisions upon which patent law is based—*Phillips*, *KSR*, etc.—require the adjudicator to evaluate the patent and prior art from the perspective of a POSITA. That perspective is established with evidence, often in the form of expert declarations. Attorney argument is insufficient. Here, Petitioner's expert, Dr. Zhi Ding, provides that perspective with testimony further supported by a number of tertiary references in accordance with 37 CFR § 42.65 and *Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 9 (Aug. 24, 2022) (precedential).

1. Federal Circuit precedent requires the perspective of a POSITA.

It is well established that patent claims are construed based on the understanding of a POSITA. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1313 (Fed. Cir. 2005) (“We have made clear, moreover, that the ordinary and customary meaning of a claim term is the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention, i.e., as of the effective filing date of the patent application.”) (citing *Innova/Pure Water, Inc. v. Safari Water Filtration Systems, Inc.*, 381 F.3d 1111, 1116 (Fed. Cir. 2004) (“A court construing a patent claim seeks to accord a claim the meaning it would have to a person of ordinary skill in the art at the time of the invention.”)); *Home Diagnostics, Inc. v. LifeScan, Inc.*, 381 F.3d 1352, 1358 (Fed. Cir. 2004) (“customary meaning” refers to the “customary meaning in [the] art field”); *Ferguson Beauregard/Logic Controls v. Mega Sys., LLC*, 350 F.3d 1327, 1338 (Fed. Cir. 2003) (claim terms “are examined through the viewing glass of a person skilled in the art”); *see also PC Connector Solutions LLC v. SmartDisk Corp.*, 406 F.3d 1359, 1363 (Fed. Cir. 2005) (meaning of claim “must be interpreted as of [the] effective filing date” of the patent application); *Schering Corp. v. Amgen Inc.*, 222 F.3d 1347, 1353 (Fed. Cir. 2000) (same)).

Obviousness grounds are likewise evaluated from the perspective of a POSITA. *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 417 (2007) (“If a person of

ordinary skill can implement a predictable variation, §103 likely bars its patentability. For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill.”), 418 (“[I]t can be important to identify a reason that would have prompted a person of ordinary skill in the relevant field to combine the elements in the way the claimed new invention does.”), 421 (“A person of ordinary skill is also a person of ordinary creativity, not an automaton.”).

The Federal Circuit has also made it clear that attorney argument alone is not evidence and should be given little weight. *Icon Health & Fitness, Inc. v. Strava, Inc.*, 849 F.3d 1034, 1043 (Fed. Cir. 2017) (“Attorney argument is not evidence.”) (citing *Gemtron Corp. v. Saint-Gobain Corp.*, 572 F.3d 1371, 1380 (Fed. Cir. 2009) (“[U]nsworn attorney argument . . . is not evidence and cannot rebut . . . other admitted evidence . . .”)); see also *Elbit Sys. Of Am., LLC, v. Thales Visionix, Inc.*, 881 F.3d 1354, 1359 (Fed. Cir. 2018) (“Elbit fails to present any evidence supporting this contention beyond attorney argument . . . and ‘[a]ttorney argument is not evidence’ and cannot rebut other admitted evidence.”).

Because attorney argument is not evidence, expert testimony is *essential* to properly support IPR claim construction and obviousness positions that are

evaluated from the perspective of a POSITA. The Board recently confirmed this:

“It is well settled that mere attorney argument unsupported by factual evidence is entitled no probative value.” *PLR Worldwide Sales LTD. v. Flip Phone Games, Inc.*, IPR2024-00209, Paper 28 at 32 (April 24, 2025).

The Petition presents and relies upon the testimony of Dr. Ding as required. *See* Petition, 15-73 (relying on testimony of Dr. Ding to support claim construction positions and obviousness grounds). The unpatentability grounds set forth in the Petition are fully supported by the references themselves—Dr. Ding's testimony serves to confirm, support, and explain the disclosures of the references from the perspective of a POSITA. *See id.*

Importantly, Dr. Ding was a POSITA as of the critical date of the '670 patent (Ex.1003, ¶¶ 7-21), and his testimony is supported by corroborating evidence in the form of the disclosure of the references relied upon in the unpatentability grounds (e.g., Wallen (Ex.1005), and Berggren (Ex.1007)) and multiple tertiary references (e.g., Exs.1008, 1009). *See generally*, Ex.1003. Further still, Dr. Ding repeatedly provides technical reasoning to support his statements and understandings of the references. *See generally*, Ex.1003.

Moreover, the Federal Circuit has recognized that “when the technology is complex and ‘beyond the comprehension of laypersons,’ expert testimony is ‘sometimes essential.’” *Synopsys, Inc. v. Mentor Graphics Corp.*, 814 F.3d 1309,

1320 (Fed. Cir. 2016) (internal quotations removed), *overruled on other grounds* by *Aqua Prods., Inc. v. Matal*, 872 F.3d 1290, 1296 n.1 (Fed. Cir. 2017) (en banc); *see also Perfect Web Techs., Inc. v. InfoUSA, Inc.*, 587 F.3d 1324, 1330 (Fed. Cir. 2009) (“If the relevant technology were complex, the court might require expert opinions.”). This is precisely the situation here. Dr. Ding’s expertise is utilized to provide detailed explanations regarding how a POSITA would have understood the technical descriptions found in the ’670 patent and the prior art references (*see, e.g.,* Ex.1003, ¶¶ 29-143). In addition, Dr. Ding provides a detailed analysis of the provisional application relied upon by Wallen to demonstrate that Wallen is entitled to the filing date of its provisional application. *See* Ex.1003, pp. 75-102. Dr. Ding’s testimony serves these essential purposes and is a strength of the Petition.

2. Dr. Ding’s testimony is fully supported by evidence under *Xerox*.

Patent Owner fails to even allege that Dr. Ding’s testimony is not supported by evidence or lacks technical reasoning. Nor could it—Dr. Ding’s testimony is fully supported by extensive underlying evidence including specific quotes from the references relied upon in the unpatentability grounds and a number of tertiary references establishing the knowledge of a POSITA.

Patent Owner’s reliance on *Xerox* is misplaced. PO Brief, 9-10 (citing *Xerox* at 15-17). Patent Owner alleges that “paragraphs of the expert declaration

essentially parrot the Petition word-for-word” and “[f]or that reason, the declaration of [sic] relied on by the Petition is entitled to little if any weight.” PO Brief, 10. *Xerox*, however, does not stand for the proposition that a petition and supporting declaration cannot be similar. Instead, *Xerox* instead focuses on whether the expert testimony cites to “supporting evidence or provide[s] any technical reasoning.” *Xerox*, 15. Expert testimony is only afforded less weight if it “adds little to the conclusory assertion for which it is offered to support.” *Id.* Here, as illustrated above and in the declaration itself, Dr. Ding’s testimony is fully supported by evidence. Further, Patent Owner’s reference to the length of Dr. Ding’s declaration has no bearing on whether the Petition impermissibly relies on expert testimony. Instead, Dr. Ding’s fulsome explanations that are supported by objective evidence are a “feature, not a bug of his testimony.” *Tesla, Inc. v. Charge Fusion Tech., LLC*, IPR2025-00032, Paper 11 at 39 (May 19, 2025) (“To the contrary, that [Petitioner’s expert] Mr. Andrews’s supports his extensive explanations of his opinions with citations to dozens of pieces of objective evidence, ***is a feature, not a bug of his testimony.*** Mr. Andrews, and Petitioner by extension, leave virtually none of the substance of his testimony unsupported by objective evidence, ***a practice that we applaud.***”).

Accordingly, the Petition’s proper reliance on evidence-backed expert testimony to support the unpatentability grounds favors institution.

C. The lack of settled expectations favors institution.

The '670 patent has been in force for less than four years. Patent Owner does not allege that this length of time has created "settled expectations" as to any aspect of the '670 patent. Nor could Patent Owner reasonably make such allegations given the short time since the '670 patent issued. Moreover, IV appears to have acquired the '670 patent solely for the purpose of monetizing it through litigation, significantly decreasing any potential relevance of this factor or of any purported settled expectations.

With respect to expectations of validity, no tribunal has ever adjudicated the validity of the '670 patent after it issued. Moreover, IV itself elected to assert the '670 patent, which should have given rise to the possibility of an IPR challenge. The '670 patent is not entitled to a presumption of validity in this proceeding.

Accordingly, IV's failure to allege any settled expectations and the lack of any reasonable basis for such expectations favors institution

D. The unpatentability challenges set forth in the Petition remain strong.

Patent Owner alleges that "[t]he challenges set forth in the Petition are flawed," but does so based only on the expert declaration being similar to the Petition. PO Brief at 9-10. Patent Owner does not present any substantive arguments relating to the merits. Accordingly, the unpatentability challenges set forth in the Petition remain strong, with Wallen disclosing or rendering obvious

nearly every limitation of claim 1, including the limitation that resulted in allowance (limitation [1.6]). *See* Petition, 12, 50-53.

V. The new Interim Process should not govern the decision to institute.

The above briefing addresses the USPTO's most recent guidance on institution as best as Petitioner understands it. But, for at least the reasons articulated below, Petitioner respectfully requests the USPTO Director to maintain the standards for institution in place at the time this Petition was filed, until such time as new guidance is issued following a notice and comment period, as required by the Administrative Procedure Act ("APA").

Petitioner developed the Petition and corresponding litigation strategy based on the standards outlined in the June 21, 2022 Interim Procedure for Discretionary Denials issued by the Office (the "June 2022 Procedures"). After the Petition was filed, however, the USPTO rescinded the June 2022 Procedures and reverted to former procedures through a short posting on the USPTO website followed by the March 24, 2025 Memorandum of Chief Administrative Patent Judge Scott Boalick (the "Boalick Memo"). Two days later, on March 26, Acting Director Stewart issued a Memorandum (the "Director Memo") introducing an entirely new "interim procedure" that bifurcates institution between "(i) discretionary considerations and (ii) merits and other non-discretionary statutory considerations." Director Memo, 1. Under this new procedure, "the Director, in

consultation with at least three PTAB judges” will determine whether discretionary denial is appropriate based on “all relevant considerations,” including several newly enumerated factors. *Id.* Three weeks after the Director Memo issued, the USPTO held an oral webcast setting forth additional substantive details of the new interim procedure not found in the Director Memo. Then, eight days after the webcast, the USPTO posted on its website “FAQs for Interim Processes for PTAB Workload Management” with even more substantive details, some potentially in conflict with details provided during the oral webcast. Petitioner submits that the recission notice, the Boalick Memo, the Director Memo, the oral webcast, and the FAQs (together, the “Announcements”) do not satisfy the requisite statutory and constitutional obligations for new regulations.

By way of example, 35 U.S.C. § 316(a) mandates that “[t]he **Director shall prescribe regulations**” including regulations “(2) setting forth the standards for the showing of sufficient grounds to institute a review under section 314(a).” The Announcements fall short of 35 U.S.C. § 316(a) by:

- (1) Making changes to substantive rules or directives without going through notice-and-comment rulemaking, particularly given the agency’s representation that it will make any further changes to the institution process through notice-and-comment rulemaking. *See* 88 Fed. Reg. 24,503 (April 21, 2023). The Announcements violate the notice-and-comment

requirements under the APA and are arbitrary and capricious.

(2) Proposing considerations that lack clarity so that they fail to set “forth the standards for the showing of sufficient grounds to institute review.” 35

U.S.C. § 316(a). For example, many of the new “considerations” set forth in the Director Memo lack basis in Federal Circuit or PTAB case law such that petitioners cannot anticipate how the Director will apply them. *See* Director Memo, 2-3 (“[s]ettled expectations,” “reliance on expert testimony,” “workload,” and “[c]ompelling economic, public health, or national security interests”).

(3) Lacking a sufficiently reasoned explanation for the changes in the factors relevant to institution, including changes that directly contradict the agency’s prior guidance in the June 2022 Procedures—such as the controlling effect of a *Sotera* stipulation and the relevance of compelling merits. The reference to “workload needs of the PTAB” in the Announcements does not explain how the changes will aid that goal.⁷ *See Food & Drug Admin. v. Wages & White Lion Invs., L.L.C.*, 145 S. Ct. 898,

⁷ The Director Memo does not contain any objective data illustrating how the workload of the PTAB has changed, or, if it has changed, how such change impacts the PTAB’s ability to meet its statutory obligations.

906 (2025) (explaining that when an agency changes position, it must “offer ‘good reasons for the new policy’”); *see also F.C.C. v. Fox Television Stations, Inc.*, 556 U.S. 502 (2009) (agency changing position must show “that the new policy is permissible under the statute, that there are good reasons for it, and that the agency believes it to be better, which the conscious change of course adequately indicates”).

- (4) Applying the Announcements retroactively to petitions filed prior to issuance of the new policies (such as in this case), thereby undermining stakeholders’ reliance interests and prejudicing petitioners, including the Petitioner in this case, with respect to strategies between district court and USPTO proceedings. This is particularly true where the retroactive application of a new rule was not first subjected to notice-and-comment rulemaking under the Administrative Procedure, despite the agency’s stated intent to follow such procedures. *See NetworkIP, LLC v. F.C.C.*, 548 F.3d 116, 122–23 (D.C. Cir. 2008).
- (5) Implementing the new bifurcated process without first collecting input from stakeholders or adequately apprising stakeholders of the logistics. The Director Memo lacks procedural details, and the later-created FAQs webpage that purportedly “controls the interim processes” is “frequently” updated. Ex.1033, 1 (encouraging stakeholders to “check back frequently for

updates”). *Id.* Further, there is no way for the parties to know who is designated to advise the Director and, thus, whether there are any conflicts of interest or other procedural concerns related to the process. *See, e.g.*, IPR2025-00250, Paper 14 at 1 (caption of Acting Director’s decision on request for discretionary denial listing only the Acting Director).

In the face of this non-exclusive list of deficiencies in the Announcements, Petitioner urges the Board and Director to consider whether to institute based on the standards articulated in the June 2022 Procedures until such time as the Board issues new regulations in accordance with 35 U.S.C. § 316 and the rulemaking procedures of the APA.⁸

⁸ If the Office alters the “Interim Processes” before the decision on IV’s request for discretionary denial, Petitioner requests authorization to address such changes.

VI. Conclusion

For the above reasons, Petitioner respectfully requests that the Director refrain from exercising her discretion to deny this petition, and instead pass it to a merits panel for consideration.

Respectfully submitted,

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CERTIFICATE OF WORD COUNT

Pursuant to 37 C.F.R. § 42.24(d), Petitioner hereby certifies, in accordance with and reliance on the word count provided by the word-processing system used to prepare this Opposition, that the number of words in this paper is 9,324.

Pursuant to 37 C.F.R. § 42.24(d), this word count excludes the table of contents, table of authorities, mandatory notices under § 42.8, certificate of service, certificate of word count, appendix of exhibits, and any claim listing.

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CERTIFICATE OF SERVICE

The undersigned certifies, under 37 C.F.R. § 42.6, that service was made on the Patent Owner as detailed below.

Date of service May 27, 2025

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Documents served Petitioner's Opposition to Patent Owner's Request for Discretionary Denial; Exhibits Ex.1021-Ex.1035.

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