

**UNITED STATES PATENT AND TRADEMARK OFFICE**

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**BEFORE THE PATENT TRIAL AND APPEAL BOARD**

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TESLA, INC.,  
Petitioner,

v.

INTELLECTUAL VENTURES II LLC,  
Patent Owner.

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IPR2025-00221  
U.S. Patent No. 11,664,889

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

**Table of Contents**

|                                                                                                                                       |    |
|---------------------------------------------------------------------------------------------------------------------------------------|----|
| I. Introduction .....                                                                                                                 | 1  |
| II. Discretionary denial under <i>Fintiv</i> is not warranted.....                                                                    | 3  |
| A. Factor 1 is neutral: No evidence regarding a stay. ....                                                                            | 3  |
| B. Factor 2 favors institution: The parallel proceeding trial date is<br>speculative. ....                                            | 3  |
| C. Factor 3 favors institution: Minimal relevant investment and<br>expeditious filing. ....                                           | 7  |
| D. Factor 4 strongly favors institution: Petitioner’s “ <i>Sotera Plus</i> ”<br>stipulation. ....                                     | 10 |
| E. Factor 5 is neutral: Petitioner is a defendant in the parallel litigation. ...                                                     | 13 |
| F. Factor 6 favors institution: The merits of the Petition remain strong<br>because there are no alleged “gaps” in the prior art..... | 14 |
| G. The <i>Fintiv</i> factors as a whole favor institution.....                                                                        | 14 |
| III. The additional factors set forth in the Director Memo favor institution.....                                                     | 15 |
| A. Compelling economic and national security interests favor<br>institution. ....                                                     | 15 |
| B. Patent Owner has not identified any actual “gaps” in the Petition<br>filled by expert testimony.....                               | 19 |
| C. The Petition properly relies on evidence-supported expert testimony<br>in accordance with Federal Circuit precedent. ....          | 24 |
| 1. Federal Circuit precedent requires the perspective of a POSITA...24                                                                |    |
| 2. Dr. Kotzin’s testimony is fully supported by evidence under<br><i>Xerox</i> .....                                                  | 28 |

|                                                                                                                                 |    |
|---------------------------------------------------------------------------------------------------------------------------------|----|
| IV. Discretionary Denial under § 325(d) is not warranted because the Office<br>erred in a manner material to patentability..... | 30 |
| A. <i>Becton, Dickinson</i> factor (c) weighs against denying institution.....                                                  | 32 |
| B. <i>Becton, Dickinson</i> factor (e) weighs against denying institution.....                                                  | 34 |
| C. <i>Becton, Dickinson</i> factor (f) weighs against denying institution. ....                                                 | 36 |
| D. Conclusions for § 325(d).....                                                                                                | 37 |
| V. The new Interim Process should not govern the decision to institute. ....                                                    | 38 |
| VI. Conclusion.....                                                                                                             | 43 |
| Certificate of Service .....                                                                                                    | 45 |

Opposition to Patent Owner’s Request for Discretionary Denial  
IPR2025-00221 (U.S. Patent 11,664,889)

**PETITIONER’S EXHIBIT LIST**

|         |                                                                                                                                            |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Ex.1001 | U.S. Pat. No. 11,664,889 to Howard (“the ’889 patent”)                                                                                     |
| Ex.1002 | Prosecution History of U.S. Pat. No. 11,664,889 (U.S. Application No. 17/870,425)                                                          |
| Ex.1003 | Declaration of Dr. Michael Kotzin under 37 C.F.R. § 1.68                                                                                   |
| Ex.1004 | <i>Curriculum Vitae</i> of Dr. Michael Kotzin                                                                                              |
| Ex.1005 | U.S. Pat. No. 8,072,916 to Dateki                                                                                                          |
| Ex.1006 | Prosecution History of U.S. Pat. No. 8,811,356 (U.S. Application No. 13/176,298)                                                           |
| Ex.1007 | 3GPP Standard, TS 25.302, v.6.3.0                                                                                                          |
| Ex.1008 | Prabhakar Chitrapu, et al., “Wideband TDD: WCDMA for the Unpaired Spectrum,” (2004)                                                        |
| Ex.1009 | U.S. Pat. Pub. No. 2002/0141331 to Mate et al. (“Mate”)                                                                                    |
| Ex.1010 | Declaration of Sylvia Hall-Ellis, Ph.D.                                                                                                    |
| Ex.1011 | Andrew S. Tanenbaum, “Computer Networks,” 4th ed. (2002)                                                                                   |
| Ex.1012 | United States Copyright Office Catalog Record for Andrew S. Tanenbaum, Computer Networks, 4th ed. (Ex.1012)                                |
| Ex.1013 | Behrouz A. Forouzan, “Data Communications and Networking,” (3 <sup>rd</sup> ed. 2003)                                                      |
| Ex.1014 | Copyright registration record for Forouzan (Ex.1013)                                                                                       |
| Ex.1015 | IV’s Preliminary Infringement Contentions Cover Pleading, <i>Intellectual Ventures II, LLC v. Tesla, Inc.</i> , No. 6:24-cv-188-ADA (WDTX) |
| Ex.1016 | <i>Reserved</i>                                                                                                                            |
| Ex.1017 | IV’s Complaint, <i>Intellectual Ventures II, LLC v. Tesla, Inc.</i> , No. 6:24-cv-188-ADA (WDTX)                                           |

Opposition to Patent Owner’s Request for Discretionary Denial  
IPR2025-00221 (U.S. Patent 11,664,889)

|                      |                                                                                                             |
|----------------------|-------------------------------------------------------------------------------------------------------------|
| Ex.1018              | Proposed Scheduling Order, <i>Intellectual Ventures II, LLC v. Tesla, Inc.</i> , No. 6:24-cv-188-ADA (WDTX) |
| Ex.1019              | Statistics on District Court Timing                                                                         |
| Ex.1020              | Interim Procedure for Discretionary Denials in AIA Parallel District Court Litigation, June 21, 2022        |
| Ex.1021              | U.S. Pat. No. 7,821,913 to Malladi et al.                                                                   |
| Ex.1022              | 3GPP Proposal R1-031073 (referenced in Ex.1021)                                                             |
| Ex.1023              | 3GPP Standard TS 25.899 v. 6.0.0                                                                            |
| Ex.1024              | <i>Reserved</i>                                                                                             |
| Ex.1025              | <i>Reserved</i>                                                                                             |
| Ex.1026              | U.S. Pat. Pub. No. 2006/0141933 to Smee, et al.                                                             |
| Ex.1027              | U.S. Pat. Pub. No. 2006/0025158 to LeBlanc, et al.                                                          |
| Ex.1028              | U.S. Pat. Pub. No. 2005/0105487 to Rudolph, et al.                                                          |
| Ex.1029              | <i>Reserved</i>                                                                                             |
| Ex.1030              | <i>Reserved</i>                                                                                             |
| Ex.1031              | U.S. Pat. Pub. No. 2005/0152265 to Denk                                                                     |
| Ex.1032              | U.S. Pat. Pub. No. 2005/0265279 to Markovic, et al.                                                         |
| Ex.1033              | U.S. Pat. Pub. No. 20030219037 to Toskala et al.                                                            |
| Ex.1034              | <i>Reserved</i>                                                                                             |
| Ex.1035              | U.S. Pat. No. 7,493,133 to Krishnan et al. (“Krishnan”)                                                     |
| Ex.1035-1051         | <i>Reserved</i>                                                                                             |
| <b>Ex.1052 (NEW)</b> | <b>Partial File History for U.S. Application No. 13/176,298</b>                                             |

Opposition to Patent Owner’s Request for Discretionary Denial  
IPR2025-00221 (U.S. Patent 11,664,889)

|                          |                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Ex.1053<br/>(NEW)</b> | <b>Statistics on District Court Timing (Dec. 31, 2024)</b>                                                                                                                                                                                                                                                                                                                          |
| <b>Ex.1054<br/>(NEW)</b> | <b>WDTX 2024 Statistical Public Report, available at <a href="https://www.txwd.uscourts.gov/court-information/district-statistics/">https://www.txwd.uscourts.gov/court-information/district-statistics/</a></b>                                                                                                                                                                    |
| <b>Ex.1055<br/>(NEW)</b> | <b>Amended Order Assigning the Business Of the Court (Judge Moses, Jan. 31, 2025)</b>                                                                                                                                                                                                                                                                                               |
| <b>Ex.1056<br/>(NEW)</b> | <b>LexMachina docket report</b>                                                                                                                                                                                                                                                                                                                                                     |
| <b>Ex.1057<br/>(NEW)</b> | <b>LexMachina docket report</b>                                                                                                                                                                                                                                                                                                                                                     |
| <b>Ex.1058<br/>(NEW)</b> | <b>“Albright Worried Multipatent Trials Ask Too Much Of Jurors,” Law360 (Dec. 18, 2020), at <a href="https://www.law360.com/articles/1337976/albright-worriedmultipatent-trials-ask-too-much-of-jurors">https://www.law360.com/articles/1337976/albright-worriedmultipatent-trials-ask-too-much-of-jurors</a></b>                                                                   |
| <b>Ex.1059<br/>(NEW)</b> | <b>Bifurcation Order – Videolabs, Inc. v. Asustek Computer, Inc. 6:22-cv-00720-ADA (WDTX)</b>                                                                                                                                                                                                                                                                                       |
| <b>Ex.1060<br/>(NEW)</b> | <b>Joint Claim Construction Statement, <i>Intellectual Ventures II, LLC v. Tesla, Inc.</i>, 1:24-cv-884-ADA, ECF No. 37 (WDTX) (March 28, 2025)</b>                                                                                                                                                                                                                                 |
| <b>Ex.1061<br/>(NEW)</b> | <b>“The economic contributions of Tesla to the California economy, 2018–2021,” IHS Markit (Oct. 2022), available at <a href="https://digitalassets.tesla.com/tesla-contents/image/upload/Tesla-California-Economic-Impact-Final-Report-October-2022">https://digitalassets.tesla.com/tesla-contents/image/upload/Tesla-California-Economic-Impact-Final-Report-October-2022</a></b> |
| <b>Ex.1062<br/>(NEW)</b> | <b>“Tesla’s ‘American-made’ cars won’t get hit as hard by the auto tariffs,” CNN.com, <a href="https://www.cnn.com/2025/03/29/cars/american-made-cars-tesla-auto-tariffs/index.html">https://www.cnn.com/2025/03/29/cars/american-made-cars-tesla-auto-tariffs/index.html</a>, retrieved Apr. 14, 2025</b>                                                                          |
| <b>Ex.1063</b>           | <b>“An Assessment of the Impact of the Inter Partes Review</b>                                                                                                                                                                                                                                                                                                                      |

Opposition to Patent Owner’s Request for Discretionary Denial  
IPR2025-00221 (U.S. Patent 11,664,889)

|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>(NEW)</b>             | <b>Process under the Patent Trial and Appeal Board on the US Economy,” The Perryman Group, available at <a href="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/">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/</a></b> |
| Ex.1064                  | <i>Reserved</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Ex.1065<br/>(NEW)</b> | <b>“Tesla’s California Footprint,” <a href="https://www.tesla.com/blog/teslas-california-footprint">https://www.tesla.com/blog/teslas-california-footprint</a> (retrieved Apr. 25, 2025)</b>                                                                                                                                                                                                                                                                                                              |
| <b>Ex.1066<br/>(NEW)</b> | <b>“FAQs for Interim Processes for PTAB Workload Management,” available at <a href="https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management">https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management</a> (retrieved May 13, 2025).</b>                                                                                                                                                                                                                        |
| <b>Ex.1067<br/>(NEW)</b> | <b>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)</b>                                                                                                                                                                                                                                                                                                                         |
| <b>Ex.1068<br/>(New)</b> | <b>Defendant’s Final Invalidity Contentions, <i>Intellectual Ventures II, LLC v. Tesla, Inc.</i>, 1:24-cv-884-ADA (WDTX) (May 22, 2025)</b>                                                                                                                                                                                                                                                                                                                                                               |

**I. Introduction**

Petitioner Tesla, Inc. opposes Patent Owner’s Request for Discretionary Denial (Paper 7, “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 ’889 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 the District 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), the Office erred in a manner material to patentability, providing no basis for denial under the second part of the *Advanced*

*Bionics* framework.<sup>1</sup> The reference in Petitioner's Ground 1 – Dateki – was only cited in an IDS listing over 100 references during prosecution of the '889 patent (satisfying the first part of the *Advanced Bionics* framework), but Dateki was not applied in any prior art rejection. This was error because a PCT written opinion and Japanese Office Action specifically identified Dateki as novelty-destroying prior art for similar claim limitations in a related patent. Thus, despite two other patent agencies having found Dateki highly pertinent to the subject matter of the pending claims, the Examiner at the USPTO either overlooked Dateki, or failed to recognize its pertinence to the claims of the '889 patent.

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, in contrast, has no compelling interest or expectation sufficient to avoid PTAB review under the circumstances here. IV is similarly wrong that denial is warranted based upon Petitioner's use of expert testimony. Such testimony is appropriate

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

(even necessary) under Federal Circuit precedent and supported by evidence. Most importantly, the merits of the Petition are strong and warrant review by a merits panel—there are no “gaps” as alleged by IV.

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.**

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. PO Brief, 4;

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 limited eight-week 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.1053, 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.1054 (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 31<sup>st</sup>:

**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.1055, 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.1056 (LexMachina report); Ex.1057 (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.1057. 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<sup>2</sup>. Ex.1017,

2. These eleven patents span *nine* different families that vary widely in subject matter:

| 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      |

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<sup>2</sup> 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.

Opposition to Patent Owner’s Request for Discretionary Denial  
IPR2025-00221 (U.S. Patent 11,664,889)

|            |                                      |   |
|------------|--------------------------------------|---|
| 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.1058; *see also* Ex.1059 (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 ’889 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 '889 patent. *See* Ex.1060 (Joint Claim Construction Statement), 2-3. Thus, under *Fintiv*, the lack of an order related to the '889 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 nine 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 '889 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 four 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 ’889 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 ***broad***er than a *Sotera* stipulation in district court. *See* Ex.1067, 4 (stipulation filed in parallel district court proceeding). Specifically, Petitioner

stipulated that:

[I]f the PTAB institutes an IPR (and does not subsequently vacate institution) in response to Defendant's petition against Plaintiff's U.S. Patent No. 11,664,889 (IPR2025-00221), Defendant will not pursue in this litigation against the claims challenged in IPR2025-00221, (i) the specific grounds raised in IPR2025-00221, (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 IPR2025-00221, as reflected in the table summarizing the Statutory Grounds for Challenges on page 20 of the Petition.<sup>3</sup>

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<sup>3</sup> 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 December 30, 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

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 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

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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.

between the IPR and the parallel litigation. The Petition challenges *eight* claims (1-8), but only *three* claims (1, 2, 4) are currently asserted against Petitioner. And only those three asserted claims are the subject of Petitioner’s invalidity contentions in the parallel litigation. *See* Ex.1068, 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”). For example, in its Preliminary Response, Patent Owner proposes claim constructions for multiple claim terms, although Patent Owner has not proposed those constructions in District Court. POPR, 24-33.

Accordingly, Factor 4 weighs heavily in favor of institution because of (i) Petitioner’s *Sotera* Plus stipulation and (ii) key 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 there are no alleged “gaps” in the prior art.**

Factor 6 favors institution because the Petition plainly shows that the ’889 patent claims no more than well-known subject matter. Patent Owner alleges that there are “gaps” in the prior art, but does not actually identify any gaps between the prior art’s disclosure and the claim limitations of the ’889 patent, as shown in Section III.B below.

**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 ’889 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 remain strong—there are no “gaps”                                                                                         |

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

**III. The additional factors set forth in the Director Memo 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 '889 patent given the lack of any post-issuance validity challenge.
- The unpatentability challenges in the Petition remain strong because there are no gaps in the prior art.
- 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 '889 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.1061 (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.1065 (“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.1062, 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

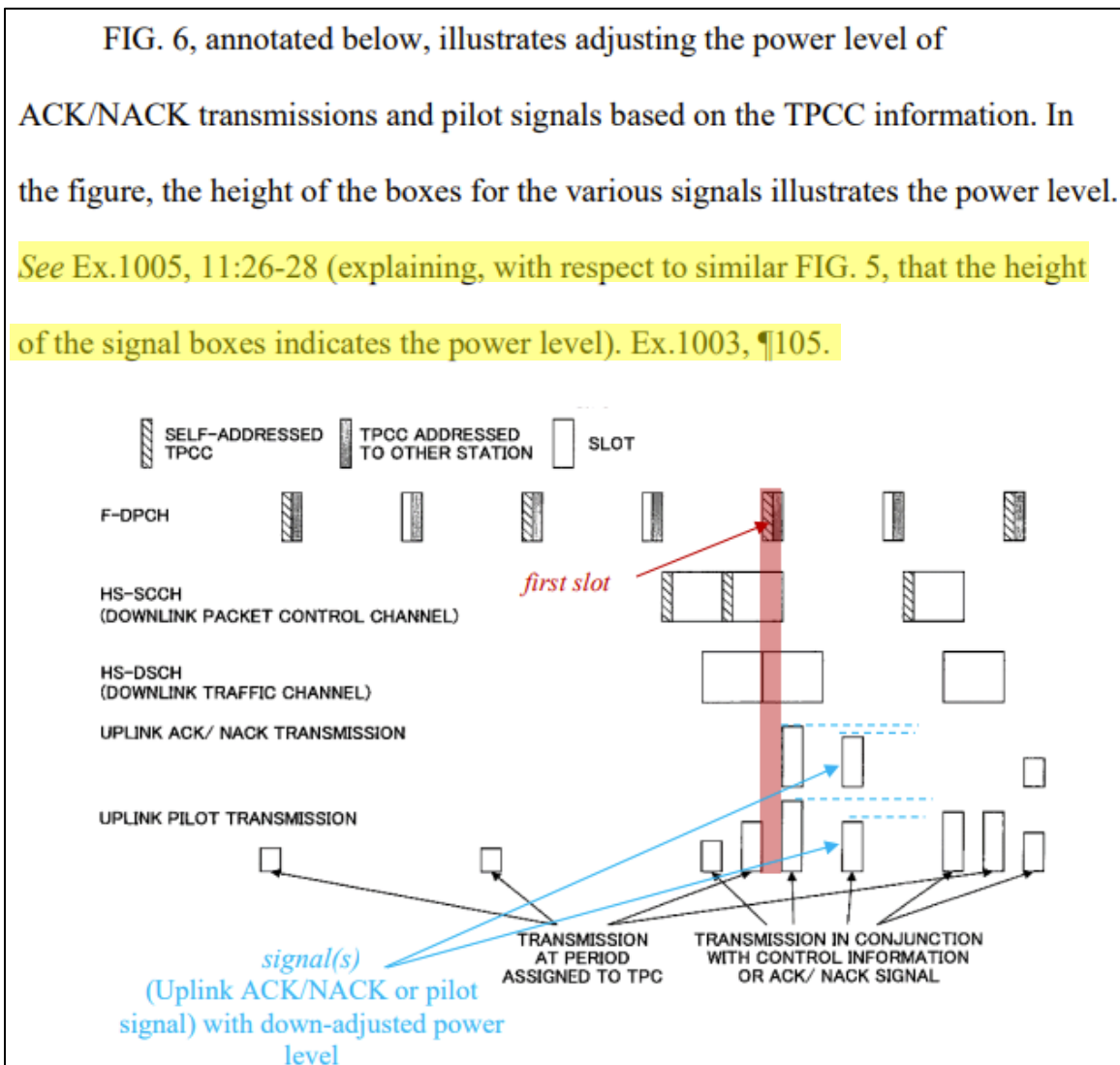
efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.”); *see also Gen. Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 16-17 (Sept. 6, 2017) (“[W]e recognize that an objective of the AIA 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.1063 (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 '889 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. Patent Owner has not identified any actual “gaps” in the Petition filled by expert testimony.**

Patent Owner asserts that “the Petition impermissibly relies on the declaration of its expert to fill a gap in Dateki.” PO Brief, 11. It attempts to support this assertion with six pages of convoluted analysis regarding Dateki’s power control system. *Id.* at 11-16. However, nothing in Dr. Kotzin’s Declaration can be understood as an attempt to “fill [a] gap” in Dateki. PO Brief, 13. The portion of Dr. Kotzin’s Declaration that Patent Owner points to are annotations to Figure 6 that simply illustrate Dateki’s disclosure that “the transmission power levels are represented by the relative heights of the indicated signals.” Ex.1005, 11:27-28; Ex.1003, ¶105.



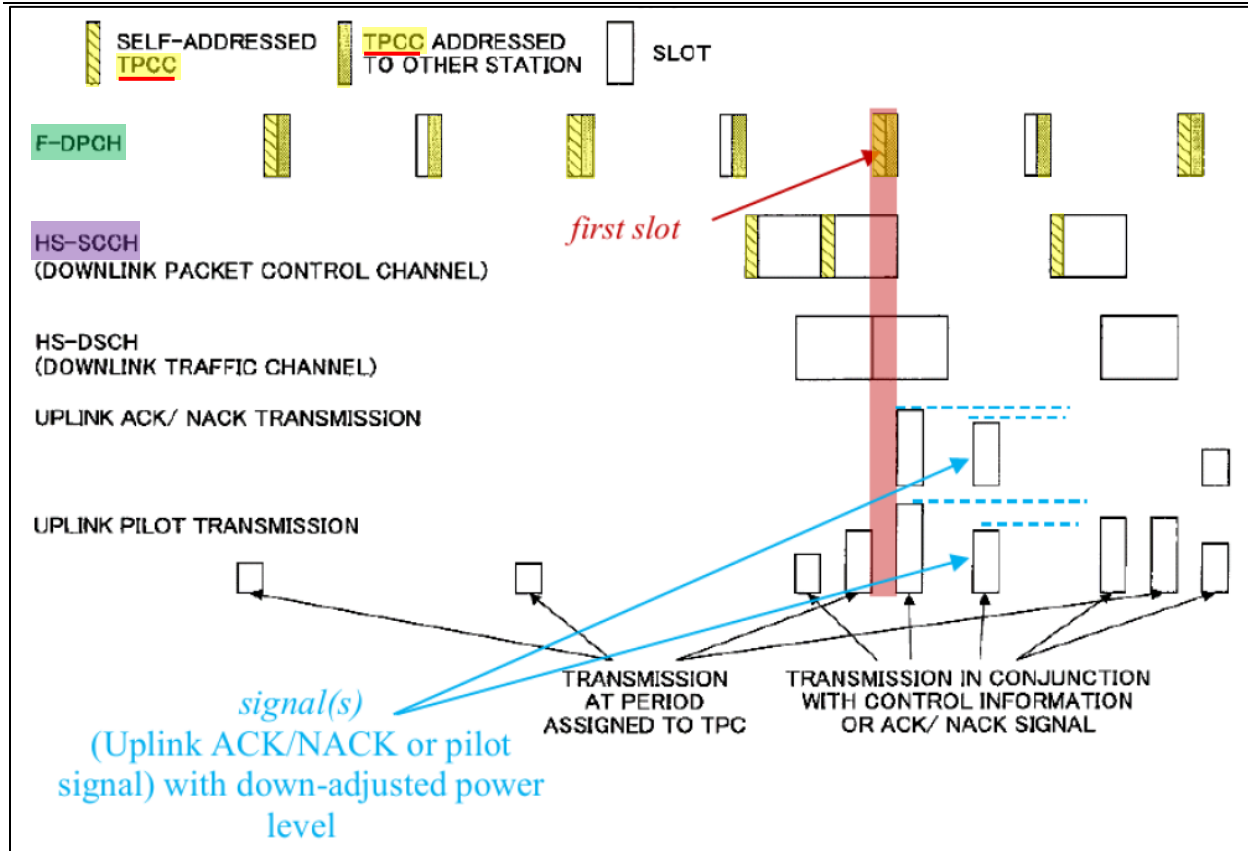
Petition, 41; Ex.1003, ¶¶105-106 (annotated).

Dr. Kotzin's testimony regarding Dateki is not improper because, as shown above, it does not fill any gaps in Dateki. The Petition's mapping affirmatively illustrates how Dateki discloses or renders obvious each and every element of the challenged claims

Moreover, there is no gap in Dateki with respect to the challenged claims, as illustrated by Dateki's plain disclosure and the Petition. Patent Owner asserts a gap

exists because the Petition is allegedly incorrect about which channel carries the power control information (TPCC) that controls UE's transmission power. The Petition points to TPCC information in the F-DPCH channel as controlling the UE's transmission power (Petition, 39-41), but Patent Owner asserts that the UE's transmission power "is not based on the specified TPCC information sent on the F-DPCH but rather on second power control information transmitted over the HS-SCCH." PO Brief, 15 (emphasis in original).

Dateki's Fig. 6 (annotated below) illustrates that Patent Owner is incorrect: TPCC commands (highlighted in yellow) are sent in **both** the F-DPCH and HS-SCCH channels to adjust transmission power up or down for subsequent ACK/NACK and pilot signals. *See also* Ex.1005, Fig. 6, 10:60-11:14, 12:11-12; Ex.1003, ¶ 104.



Petition, 41 (additional annotations in yellow, green and purple)

Dateki's associated disclosure confirms this: "The TPC bit (transmission power control information) is transmitted via the F-DPCH and HS-SCCH." Ex.1005, 12:11-12. Dateki (and Dr. Kotzin) further explain that these received TPCC commands control the power level of the ACK/NACK and pilot symbol:

Also, according to the present embodiment, uplink traffic data, a **pilot symbol**, and a **ACK/NACK signal** based on the reception processing result of processing downlink traffic data output are input to the diffusion units 45, 46, and 47, respectively, to be diffused by differing diffusion codes. Then the diffused signals are multiplexed at the multiplexing unit 44, and multiplied at the multiplying unit 43 by a **control value from the**

**transmission power control unit 38 to realize transmission power control. ... According to an embodiment, the transmission power control unit 38 is configured to increment the transmission power  $P_{tx}$  by +1 dB when the transmission power control information TPCC extracted by the TPCC extracting unit 37 is greater than 0 ( $TPCC > 0$ ), and the transmission power control unit 38 is configured to decrement the transmission power  $P_{tx}$  by -1 dB when the transmission power control information is TPCC is less than 0 ( $TPCC < 0$ ).**

Ex.1005, 10:60-11:11; *see also* Ex.1003, ¶ 104 (quoting same); Petition, 40.

Moreover, Dateki explains that in some cases TPCC information may be *omitted* from HS-SCCH if the “transmission timing interval with respect to a previous HS-SCCH is longer than the transmission period of the [F-DPCH TPCC information].” Ex.1005, 14:36-40. Thus, Dateki explicitly refutes Patent Owner’s assertion that the UE does not use F-DPCH TPCC information for ACK/NACK and pilot signal transmissions. There is no “gap” in Dateki’s disclosure.

Patent Owner’s litany of quotes from Dateki do not support its position as they merely explain how in some embodiments HS-SCCH TPCC information may be used to *supplement* the relatively infrequent transmissions of F-DPCH TPCC information to enhance transmission power control for ACK/NACK uplink transmissions. PO Brief, 13 n.3, 16; Ex.1005, 12:66-13:15 (HS-SCCH TPCC information can be provided *in addition to* F-DPCH information to allow for more frequent power level adjustments). But even these additional embodiments do not

support Patent Owner's characterization of Dateki as excluding or ignoring the F-DPCH TPCC information for transmitting the ACK/NACK and pilot signals. As explained above, Dateki is clear that TPCC information received both via F-DPCH **and** via HS-SCCH adjust the mobile station's transmission power for uplink signals. Ex.1005, 12:11-12, 14:35-40.

**C. 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. Kotzin, provides that perspective with testimony supported by more than a dozen 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, 401 (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. Kotzin as

required. *See* Petition, 7-74 (relying on testimony of Dr. Kotzin to support obviousness grounds). The unpatentability grounds set forth in the Petition are fully supported by the references themselves—Dr. Kotzin's testimony serves to confirm, support, and explain the disclosures of the references from the perspective of a POSITA. *See id.*

Importantly, Dr. Kotzin was a POSITA as of the critical date of the '889 patent (Ex.1003, ¶¶7-25), 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., Dateki (Ex.1005), Mate (Ex.1009), Chitrapu (Ex.108)) and one or more tertiary references (e.g., Exs.1007, 1011, 1013, 1021-1023, 1026-1028, 1031-1033, and/or 1035). *See generally*, Ex.1003. Further still, Dr. Kotzin 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. Kotzin’s expertise is utilized to explain the technical background of complicated concepts relevant to the ’889 patent (*see, e.g.*, Ex.1003, ¶¶ 33-42). Dr. Kotzin also provides detailed explanations regarding how a POSITA would have understood the technical descriptions found in the ’889 patent and the prior art references (*see, e.g.*, Ex.1003, ¶¶ 43-174). Dr. Kotzin’s testimony serves these essential purposes and is a strength of the Petition.

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

Patent Owner fails to even allege that Dr. Kotzin’s testimony is not supported by evidence or lacks technical reasoning. Nor could it—Dr. Kotzin’s testimony is fully supported by extensive underlying evidence including specific quotes from the references relied upon in the unpatentability grounds and a variety of tertiary references establishing the knowledge of a POSITA. For example, Dr. Kotzin relies upon at least a dozen different tertiary references to support his opinions:

- 3GPP Standard, TS 25.302, v.6.3.0 (Ex.1007);
- Andrew S. Tanenbaum, “Computer Networks,” 4th ed. (2002) (Ex.1011);
- Behrouz A. Forouzan, “Data Communications and Networking,” (3<sup>rd</sup> ed. 2003) (Ex.1013);
- U.S. Pat. No. 7,821,913 to Malladi et al. (Ex.1021);

- 3GPP Proposal R1-031073 (Ex.1022);
- 3GPP Standard TS 25.899 v. 6.0.0 (Ex.1023);
- U.S. Pat. Pub. No. 2006/0141933 to Smee, et al. (Ex.1026);
- U.S. Pat. Pub. No. 2006/0025158 to LeBlanc, et al. (Ex.1027);
- U.S. Pat. Pub. No. 2005/0105487 to Rudolph, et al. (Ex.1028);
- U.S. Pat. Pub. No. 2005/0152265 to Denk (Ex.1031);
- U.S. Pat. Pub. No. 2005/0265279 to Markovic, et al. (Ex.1032);
- U.S. Pat. Pub. No. 20030219037 to Toskala et al. (Ex.1033); and
- U.S. Pat. No. 7,493,133 to Krishnan et al. (“Krishnan”) (Ex.1035).

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, 9-10. *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. Kotzin's testimony is fully supported by evidence.

Further, Patent Owner's reference to the length of Dr. Kotzin's declaration has no bearing on whether the Petition impermissibly relies on expert testimony. Instead, Dr. Kotzin'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

**IV. Discretionary Denial under § 325(d) is not warranted because the Office erred in a manner material to patentability.**

The reference applied in Ground 1 – Dateki – was cited only in an IDS and was never used by the Examiner to reject the pending claims of the '889 patent—but it should have been. Two other patent agencies found that Dateki was a barrier to patentability for related patent applications with similar claims. The Examiner materially erred by overlooking Dateki's pertinence.

"[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)). Dateki was listed in an IDS, thereby satisfying the first part of the *Advanced Bionics* framework. See *Ecto World, LLC et al. v. RAI Strategic Holdings, Inc.*, IPR2024-01280, Paper 13 at 4. However, Patent Owner failed to meet its burden of proof for discretionary denial under § 325(d) because it failed to establish that the second part of the *Advanced Bionics* framework weighs in favor of denial. As shown below, “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* at 8,

Patent Owner's own brief explains why it was error not to apply Dateki to reject the claims of the '889 patent: “Examiner Abelson was ***specifically directed*** to the pertinence of Dateki's disclosure in the Search Report and Written Opinion issued by the PCT Authority, and in an Office Action issued by the Japanese Patent Office.” PO Brief, 23. In other words, despite being specifically alerted that two other patent agencies found Dateki highly pertinent to the subject matter of the pending claims, Examiner Abelson either overlooked it, or failed to recognize this pertinence. The Examiner's error is confirmed by Dr. Kotzin (an IEEE Fellow), as he came to the same conclusion as the PCT and Japanese Patent Office that Dateki is novelty-destroying prior art. The Office erred by overlooking Dateki's pertinence to the patentability of the claims. The very purpose of PTAB review is

to correct this type of prosecution mistake.

The prosecution history and Patent Owner's own arguments show that the Examiner erred "in a manner material to the patentability of the challenged claims," because the Examiner "misapprehended or overlooked" Dateki's relevant teachings. *Advanced Bionics* at 8, 21.

*Becton, Dickinson*<sup>4</sup> factors (c), (e), and (f) are the relevant to the second prong of *Advanced Bionics* and all weigh against denying institution under § 325(d).

**A. *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." *Becton* at 17. Other than the initialed IDS with more than 100 references, there is no other evidence that the Examiner evaluated Dateki or appreciated its disclosure. Ex.1002, 113-119. The Examiner did not apply Dateki in any prior art rejection during prosecution of the '889 patent.

Patent Owner, argues that the Examiner must have evaluated Dateki because

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<sup>4</sup> 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*").

the Examiner initialed IDSs that listed Dateki, a PCT written opinion citing Dateki as novelty-destroying art against an earlier PCT application, and a Japanese Office Action that also cited Dateki to reject the claims against an earlier Japanese application. PO Brief, 20-23. This argument is misplaced. If anything, the fact that the Examiner did not apply Dateki, despite the fact that the PCT and the JPO *did* apply it indicates error on the Examiner's part. This is especially true given that Patent Owner itself emphasizes that the claims rejected by the PCT were substantially similar to the '889 claims. *See* PO Brief, 27-29.

Moreover, an initialed IDS is not dispositive that the examiner substantively evaluated the teachings of every cited reference. *See Scientific Design Co. v. Shell Oil Co.*, IPR2021-01537, Paper 7 (Mar. 18, 2022) and IPR2022-00158, Paper 7 (Apr. 4, 2022) (finding that an initialed IDS did not mean that Examiner could not have overlooked the cited references); *Pure Storage, Inc. v. Realtime Data LLC*, IPR2018-00549, Paper 7 at 11 (July 23, 2018) (“[T]here is no evidence of record that [the prior art references] were substantively considered by the Examiner.”); *Comcast Cable Communs., LLC v. Promptu Sys. Corp.*, IPR2018-00342, Paper 13 at 17 (July 19, 2018) (granting institution “because [the prior art] *was only cited in an IDS* and not applied by the examiner in the reissue application process in any rejection of claims”).

If an initialed IDS meant what Patent Owner says it does, there would be no

use for part two of the *Advanced Bionics* framework. *Advanced Bionics*, Paper 6 at 8 (explaining second part of §325(d) analysis), n. 9 (“An example of a material error may include misapprehending or **overlooking specific teachings of the relevant prior art** where those teachings impact patentability of the challenged claims.”).

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

**B. *Becton, Dickinson* factor (e) weighs 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.”

*Advanced Bionics*, 9, n.10. This factor weighs against denying institution.

Whether by overlooking Dateki altogether, or by failing to grasp its relevance to the claims, the Examiner erred by not applying Dateki against the claims of the '889 patent. Regardless, the prosecution history of the '889 patent indicates that the Examiner did not appreciate Dateki's relevance. First, the prosecution of the '889 patent was short and duplicative of the prosecution histories of the earlier applications in the '889 priority chain. Less than two months after the filing of U.S. Application No. 17/870,425 (“the '425 application”), which matured into the '889 patent, the Examiner indicated he would allow the subject matter of several dependent claims in the only Office Action on the merits.

Ex.1002, 56-62. The Examiner rejected the independent claims based on Anderson

(US2008/0144600), which the Examiner had repeatedly used in prior art rejections in the earlier applications in the priority chain. Ex.1051 ('298 Application Partial File History), 20; Ex.2008 ('693 Application File History), 509; Ex.2009 ('854 Application File History), 135.

However, the Petition shows that Dateki is a superior reference to Anderson. For instance, the Examiner applied Anderson as the primary reference even though it did not disclose two limitations currently in the claims:

- “*the transmitter and the processor are configured to transmit a signal over a physical control channel to a base station in a second time slot at a transmission power level based on the extracted power control information;*” and
- “*wherein the first time slot also includes a downlink shared channel*” (originally presented as claim 2).

Ex.1002, pp. 56-62

Dateki, on the other hand, discloses or renders obvious both of these features, as well as the other features in the claim. As explained above at § IV.A, Patent Owner and the PCT agree that Dateki discloses “that the UE ‘extract[s] power control information ... from the first message’ and ‘transmit[s] a signal ... based on the extracted control information.” PO Brief, 28-29; Ex.2006, 297; Petition, 39-41. And Patent Owner does not dispute that Dateki discloses “wherein

the first time slot also includes a downlink shared channel.” Further, as explained above, Patent Owner agrees that the claims rejected by the PCT were substantially similar to the ’889 claims. *See* PO Brief, 27-29.

Second, as explained above, the fact that the PCT and Japanese Patent Office applied Dateki to reject the claims of related applications only *confirms* that the Examiner erred by not applying Dateki to reject the claims of the ’889 patent. Ex.1002, 113-116 (IDS listing Dateki and PCT written opinion). The PCT examination report specifically referred to the disclosure in Figure 6 of Dateki in its determination that the claims of the original PCT application were not novel over Dateki’s European counterpart. Ex.2006, 297. Although the claims in the PCT application pursued a different scope of subject matter, Patent Owner highlights the similarities between the PCT’s claims and the claims of the ’889 patent. PO Brief, 27-29. The PCT application included dependent claims directed to power control information. The PCT’s use of Dateki as novelty-destroying prior art suggests, if anything, that Examiner Abelson erred by not applying it against any of the claims in the ’889 patent or its parent applications.

Therefore, *Becton, Dickinson* factor (e) weighs against denying institution.

**C. *Becton, Dickinson* factor (f) weighs against denying institution.**

*Becton, Dickinson* 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. This factor weighs against denying institution.

The Petition is supported by the testimony of Dr. Kotzin, which provides helpful context and technical background information about the transmission power control procedures that Dateki describes and the '889 patent claims. Dr. Kotzin's opinions confirm and reinforce the conclusions from the PCT and JPO that Dateki is highly relevant to the patentability of the '889 patent.

An additional reason that factor (f) does not support denial is that Dateki was one of over 100 references submitted in a single IDS. *See Ecto World*, IPR2024-01280, Paper 13 at 6 (“[T]he Board should consider a petitioner's argument based on the volume of the references submitted to the Office during Examination”). This IDS was over four times the size of a typical IDS. *Id.* at 7, n. 3.

Patent Owner's only arguments regarding factor (f) are that the Petition does not sufficiently address material error, and that Dr. Kotzin's testimony amounts to “gap-filling...to fill holes left by Dateki.” PO Brief, 30. However, as explained above, Dr. Kotzin's testimony did not fill any gaps in Dateki's disclosure, because there were no gaps to fill. For all the reasons provided here, *Becton, Dickinson* factor (f) weighs against denying institution.

**D. Conclusions for § 325(d).**

In summary, as noted in the Petition, “there is no evidence that the Examiner

*substantively* considered Dateki.” Petition, 74. The analysis of the Petition with respect to Dateki clearly shows that it was material error for the Examiner not to use Dateki to reject the claims under §102 or §103. And the use of Dateki’s disclosure to reject similar claims by the PCT and JPO provide further confirmation of that material error.

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

**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.<sup>5</sup> See *Food & Drug Admin. v. Wages & White Lion Invs., L.L.C.*, 145 S. Ct. 898, 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

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<sup>5</sup> 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.

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.1066, 1 (encouraging stakeholders to “check back frequently for updates”). 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.<sup>6</sup>

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<sup>6</sup> 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,

Date: May 27, 2025

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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 9,011.

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.1052-Ex.1063 and Ex.1065-Ex.1068.

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