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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA, OAKLAND DIVISION

CONCURRENT VENTURES, LLC AND XTREAMEDGE, INC., Plaintiffs, v. ADVANCED MICRO DEVICES, INC. AND PENSANDO SYSTEMS, INC., Defendants.	Case No. 4:25-cv-09567-JST **DEFENDANTS' MOTION REGARDING ENFORCEMENT OF SOTERA STIPULATION** Date: May 28, 2026 Time: 2:00 p.m. Crtrm.: 6, 2nd Floor (Zoom Webinar) Judge: Honorable Jon S. Tigar

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IPR2025-00223 (Advanced Micro Devices, Inc., Pensando Systems, Inc. v. Concurrent Ventures, LLC, XtreamEdge, Inc.)

NOTICE OF MOTION

TO ALL PARTIES AND THEIR COUNSEL OF RECORD:

PLEASE TAKE NOTICE that on May 28, 2026, at 2:00 p.m., or as soon thereafter as the matter may be heard, before the Honorable Jon S. Tigar of the United States District Court, Northern District of California, located at 1301 Clay Street, Oakland, CA 94612, Courtroom 6, 2nd Floor, Defendants Advanced Micro Devices, Inc. and Pensando Systems, Inc. will move this Court for an order determining that Defendants have not violated the Sotera Stipulation entered in this action.

This motion is brought on the grounds that Defendants' invalidity contentions comply in full with the Sotera Stipulation and Patent Local Rules. This motion is based on this Notice of Motion and Motion, the following Memorandum of Points and Authorities, the Declaration of Harper Batts in Support of Defendants' Motion and accompanying exhibits, all filings, records, and orders in this action, oral argument, and such additional matters as may come before the Court prior to or at the hearing on this matter.

DATED: March 20, 2026

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By *\/s/ Harper S. Batts*

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I. Introduction

Defendants Advanced Micro Devices, Inc. and Pensando Systems, Inc. respectfully request the Court to confirm that Defendants have not violated their Sotera Stipulation (Dkt. 78). This is an urgent and time-sensitive matter—Defendants will separately seek expedited briefing.

Good cause exists for the requested relief. Plaintiffs circumvented this Court and asked that the Director of the U.S. Patent and Trademark Office terminate Defendants' three instituted IPRs for asserted patents based upon an allegation that Defendants' invalidity contentions served *in this proceeding* violated their Sotera Stipulation filed *in this proceeding*. Plaintiffs' premise is that it was a violation for Defendants invalidity contentions to list prior art that was, or could have been, raised in the IPRs. The Director has ordered briefing on the issue (to be completed by March 27th), and in his order, took the unprecedented position that he would determine "whether Petitioners have violated their Sotera stipulation," and whether to terminate the IPRs on that basis. Ex. 4, at 2. First, however, the question of whether the Sotera Stipulation has been violated falls exclusively within this Court's jurisdiction. Indeed, until now the USPTO has repeatedly refused to address disputes regarding Sotera stipulations, noting that such disputes are within the sole purview of the district court where the stipulation is in effect. Second, there is no possible Sotera violation here. Defendants repeatedly committed to adhering to their Sotera obligations, even filing a clarifying stipulation reaffirming this fact. Defendants' invalidity contentions merely comply with this Court's Local Rules requiring disclosure of all prior art, and only disclose prior art raised, or could have been raised, in the IPRs conditionally, in order to preserve that art in the event the IPRs are "de-instituted" or terminated prior to any decision on the merits. Such limited, conditional disclosures at this early phase of the litigation do not constitute "pursuing" that prior art at trial (or even in any determination on the merits), and so cannot violate the Sotera Stipulation.

Nevertheless, Plaintiffs' actions have precipitated a situation where a determination of whether Defendants violated their Sotera Stipulation must now be made. Since that decision is the exclusive province of this Court, Defendants respectfully request that the Court expeditiously

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render a ruling on this issue so that the USPTO Director has the benefit of that determination prior to deciding the motions to terminate the IPRs.

II. Overview and Factual Background

A. Procedural History

Between December 2024, and February 2025, Defendants filed Inter Partes Reviews ("IPRs") for four of the patents asserted in the this proceeding. On April 22, 2025, Defendants filed a Sotera[1] Stipulation before the District Court (Dkt. 78), stipulating that, for each challenged patent, if the IPRs are instituted, "Defendants will not pursue in this case the specific grounds [pursued in the IPRs] with the [challenged patent] and the challenged claims for that patent as originally issued, or on any other ground for which the Board institutes, that was raised or could have been reasonably raised in an IPR (i.e., any ground that could be raised under §§ 102 or 103 on the basis of prior art patents or printed publications)." Dkt. 78 at 3. Three of the four IPRs (those challenging the '596, '943, and '753 patents) were subsequently instituted. The case was transferred to this Court in November 2025. Plaintiffs served infringement contentions on December 30, 2025, and Defendants served invalidity contentions on February 13, 2026.[2]

B. Plaintiffs' Unilateral Communication to the USPTO Regarding Alleged Breach of the Sotera Stipulation

On February 20, 2026, Plaintiffs sent a letter to Defendants in connection with this case raising a litany of alleged deficiencies in Defendants' invalidity contentions. Part of that letter threatened a possible motion to strike based upon a supposed Sotera violation—*i.e.*, that mere disclosure in the invalidity contentions of prior art raised, or could have been raised, in the IPRs violated Defendants' Sotera stipulation. The letter made no reference to seeking relief of any kind from the USPTO. Ex. 1. However, on March 9, 2026, Plaintiffs emailed the USPTO Director

[1] *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12, at 13, 18, 19 (P.T.A.B. Dec. 1, 2020) (precedential) (finding that a Sotera stipulation favors institution because "[p]etitioner's stipulation here mitigates any concerns of duplicative efforts between the district court and the Board, as well as concerns of potentially conflicting decisions").

[2] Defendants have not yet answered the complaint, invalidity contentions were just served last month and the Court has yet to rule on Defendants' pending motion to dismiss.

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alleging that Defendants "have reneged on their [Sotera] stipulations" and, for the first time, requested termination of the IPRs. Ex. 2.

Defendants promptly reached out to Plaintiffs the same day and the following day in an effort to resolve the dispute. Ex. 3 at 6–8. Defendants confirmed their intention to continue abiding by the Sotera Stipulation and not to pursue in this litigation any grounds covered by it. *Id*. Defendants confirmed for Plaintiffs that the prior art patents, printed publications, and IPR prior art were included solely for notice purposes in accordance with this district's Patent Local Rules and to preserve Defendants' rights to assert them in the event the USPTO Director, as he has recently done in several other proceedings, were to de-institute previously instituted IPRs, at which point the Sotera Stipulation would no longer be in effect.

More specifically, this risk of de-institution has become a new and recurring feature of USPTO practice. Before Coke Morgan Stewart became Acting Director of the USPTO in January of 2025, the term "de-instituting" an IPR was unknown. If an IPR was instituted, it would proceed to determination on the merits.

But beginning with Acting Director Stewart and continuing with Director Squires since his appointment in September 2025, IPR proceedings that were already instituted are being "de-instituted," with orders issued from the Directors that stated that the IPR proceedings were no longer instituted and over. Thus, beginning with *Motorola Solutions, Inc. v. Stellar LLC*,[3] recent USPTO practice has seen a marked shift toward vacating institution decisions/instituted IPRs. *See, e.g.*, *Revvo Tech., Inc. v. Cerebrum Sensor Tech*., *Inc.*, IPR2025-00632, Paper 20 (P.T.A.B. Nov. 3, 2025) (de-instituting for presenting inconsistent claim construction positions); *Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00340, Paper 18 (P.T.A.B. Nov. 5, 2025) (de-instituting for presenting inconsistent claim construction positions); *Sinclair Pharma Ltd. v. Hydrafacial LLC,* IPR2025-00145, Paper 41 (P.T.A.B. Feb. 12, 2026) (de-instituting for overlap with ITC).

[3] *See Motorola Sols., Inc. v. Stellar, LLC*, IPR2024-01205, -01206, -01207, -01208, Paper 19 (P.T.A.B. Dir. Rev. Mar. 28, 2025) (vacating institution decisions on discretionary grounds).

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Such decisions indicate that the risk of "de-institution" is not hypothetical. In light of this new and recurring practice, Defendants' inclusion of certain prior art grounds as a reservation of rights was a reasonable precautionary measure, not an indication of any intent to pursue those grounds in this litigation in violation of the Stipulation.

C. The Director's Order and the Developments Leading to This Motion

Despite Defendants' good faith efforts to resolve the dispute—including numerous discussions of the issue (Batts. Decl. ¶¶ 1–2) in which Defendants explained that the inclusion of the prior art was a precautionary disclosure only—Plaintiffs refused to withdraw their requests for termination of the IPRs. Defendants nevertheless continued to reaffirm their compliance with their Sotera commitments, including by filing an additional stipulation in this Court for the sake of clarity (Dkt. 182) that: (1) reconfirmed the Sotera Stipulation; (2) explained the recent phenomenon of "de-institution" of IPRs as the basis for inclusion of certain prior art grounds; and (3) specifically identified all prior art grounds included solely as a reservation of rights and for notice and compliance with Patent L.R. 3-3, and confirmed that Defendants are not pursuing those grounds. These efforts, too, proved unavailing. Plaintiffs refused to explain what concerns regarding overlapping references or grounds, if any, might remain after Defendants' clarifying second stipulation. Batts. Decl. ¶ 2(iii); Ex. 3 at 1.

On March 13, 2026, the Director initiated Director Review to "***consider whether [Defendants] have violated their Sotera stipulation***" based on their invalidity contentions in this action, and whether to terminate the IPRs as a result, ordering expedited briefing. Ex. 4, 2 (emphasis added). Following a meet and confer on March 16, 2026, during which Plaintiffs again refused to withdraw their PTAB termination requests, Defendants were left with no choice but to file this motion. Plaintiffs' persistent efforts to inject delay—refusing to identify any remaining concerns while simultaneously declining to withdraw their termination motions—appear calculated to ensure the USPTO will act before this Court.

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III. This Court Is the Appropriate Forum for Resolving Disputes Arising from the Sotera Stipulation

The question of whether a Sotera violation occurred should be determined by this Court, and at this juncture, given Plaintiffs' pending requests to terminate the IPRs. This Court is the only proper forum to adjudicate whether Defendants' disclosures in a discovery device defined by the Local Rules of this Court violate the Sotera Stipulation—a stipulation filed before this Court that governs the admissibility of prior art in this proceeding. Plaintiffs' efforts to pursue this issue at the USPTO are both procedurally improper and legally unfounded, yet they prompted the USPTO to initiate a parallel investigation. A prompt resolution of the dispute surrounding the Sotera Stipulation is necessary to avoid potentially inconsistent determinations and the collateral consequences they may produce, including the potential termination of the pending IPRs.

As discussed in Section II.B above, Defendants made numerous efforts to resolve this dispute with Plaintiffs before seeking a decision from the Court. These efforts included repeatedly assuring Plaintiffs that Defendants would abide by their Sotera Stipulation and even filing an additional stipulation (Dkt. 182) specifically identifying all prior art grounds included solely for notice purposes and confirming that such grounds would not be pursued unless the IPRs are de-instituted. In addition, Defendants asked whether amending their contentions to remove any references subject to the Sotera Stipulation would resolve the dispute. Ex. 3 at 1–3. Plaintiffs not only refused to withdraw their demand that the USPTO adjudicate whether a Sotera violation occurred, but also declined to identify what measures, if any, would dispel their concerns regarding the overlapping grounds and references. Even during the meet and confer immediately preceding this filing, Plaintiffs reiterated their insistence on having the USPTO adjudicate the Sotera dispute. Batts Decl. ¶3. However, this Court is the proper—and only appropriate—forum to determine whether Defendants' invalidity contentions violate the Sotera Stipulation.

A. The Court Has the Exclusive Power to Interpretate and Enforce a Sotera Stipulation

A Sotera Stipulation is a litigation stipulation entered in district court that governs the conduct of the filing party at trial. *Lionra Techs. Ltd. v. Fortinet, Inc.,* No. 2:22-CV-0322-JRG-RSP, 2024 WL 3055977, at *3–4 (E.D. Tex. Apr. 25, 2024); *Sotera Wireless, Inc. v. Masimo*

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Corp., IPR2020-01019, Paper 12, at 13, 18 (P.T.A.B. Dec. 1, 2020) (precedential). As a general principle, whether a litigation stipulation controlling party behavior has been breached is analyzed within the legal framework of contract law—under the same framework for "a claim for breach of contract." *Kokkonen v. Guardian Life Ins. Co. of Am.*, 511 U.S. 375, 381 (1994); *Tex. Instruments Fed. Credit Union v. DelBonis*, 72 F.3d 921, 928 (1st Cir. 1995) ("Litigation stipulations can be understood as the analogue of terms binding parties to a contract."); *Jeff D. v. Andrus*, 899 F.2d 753, 759 (9th Cir. 1989) ("We rely on basic contract principles to interpret the Stipulation."); *see also* Restatement (Second) of Contracts § 94 (Am. Law Inst. 1981) (discussing stipulation as "a promise or agreement with reference to a pending judicial proceeding"). The power to adjudicate such questions belongs exclusively to Article III courts. *Sec. & Exch. Comm'n v. Jarkesy*, 603 U.S. 109, 127 (2024) ("we have repeatedly explained that matters concerning private rights may not be removed from Article III courts."); *N. Pipeline Constr. Co. v. Marathon Pipe Line Co.*, 458 U.S. 50, 90 (1982) (holding that claims for "breach of contract, misrepresentation, and other counts which are the stuff of the traditional actions at common law" constitute matters of private right that "may not be removed from Article III courts" and delegated to a non-Article III tribunal).

Until now, the USPTO has similarly recognized that the district court where the stipulation was filed is the appropriate forum for resolving disputes arising from it. *See, e.g.*, *Samsung Elecs. Co. v. Netlist, Inc*., IPR2022-00639, IPR2022-00711, IPR2022-00996, IPR2022-00999, Pap.26 (P.T.A.B. Jan. 18, 2023) ("Any dispute regarding the scope or alleged violation of [*Sotera*] stipulations proffered by a party should be addressed in the district court proceedings in which such stipulations are to have effect. Trials have been instituted and will proceed in the manner set forth in the scheduling orders for these proceedings."); *Lightspeed Com. Inc. v. CloudofChange, LLC*, Nos. IPR2022-00779, IPR2022-00997, IPR2022-01143, Paper 28 at 3 (P.T.A.B. July 25, 2023) ("We decline Patent Owner's invitation for us to determine how a district court should interpret stipulations before it."); *Apple Inc. v. Maxell, Ltd*., IPR2020-00204, Paper 21 at 10 (P.T.A.B. Dec. 15, 2020) ("Indeed, to the extent Patent Owner believes Petitioner has

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violated the letter or spirit of its stipulation in the underlying litigation, Patent Owner could seek relief in the district court").

Just recently, the Solicitor for the USPTO argued to the Federal Circuit that a dispute concerning alleged violation of a Sotera stipulation should be determined by the district court, not the USPTO. Ex. 5 at 2, 11 (endorsing that "any dispute regarding the scope or alleged violation of [Sotera] stipulations should be addressed in the district court proceedings in which such stipulations are to have effect."). Indeed, to Defendants' knowledge, the USPTO has never independently determined whether a Sotera Stipulation has been violated—nor should it.

Moreover, district courts have routinely examined whether the parties comply with a Sotera Stipulation—as they properly should. *Sonrai Memory Ltd. v. Micron Tech., Inc.,* No. 1:23-CV-01407-ADA, 2024 WL 5185359, at *1 (W.D. Tex. May 20, 2024) ("Because Micron could not have raised such grounds before the PTAB, the amendment would not violate the Sotera stipulation."); *Facet Techs., LLC v. LifeScan, Inc*., No. 222CV01717MCSMARX, 2024 WL 308292, at *7 (C.D. Cal. Jan. 3, 2024) ("Accordingly, the Sotera stipulation does not pose an estoppel issue."); *Pictiva Displays Int'l Ltd. v. Samsung Elecs. Co*., No. 2:23-CV-00495-JRG-RSP, 2025 WL 2982341, at *6 (E.D. Tex. Oct. 22, 2025) (finding no Sotera violation).

That district courts examine whether parties comply with a Sotera Stipulation is unsurprising. More broadly, interpreting and enforcing stipulations falls squarely within the expertise and authority of the district courts, including this Court: it is the "stuff of the traditional actions at common law tried by the courts." *N. Pipeline Constr. Co*, 458 U.S. 50, 90; *City of Manhattan Beach v. Superior Ct*., 13 Cal. 4th 232, 238 (1996) ("It is therefore solely a judicial function to interpret a written instrument [contract/deed].").

This is especially true here, where the alleged violation arises solely from Defendants' inclusion of certain prior art references in their invalidity contentions served pursuant to Patent Local Rule 3-3. As discussed in detail below (Section IV.C *infra*), determining whether a violation occurred requires this Court to decide whether Defendants' disclosures were consistent with their Local Rule discovery obligations and whether merely disclosing prior art in a discovery document, as a contingent preservation of Defendants' rights and for discovery purposes,

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constitutes "pursuing" the disclosed prior art at trial or on the merits in this action. These questions can only be answered by this Court which promulgated the rules and controls the litigation before it.

Yet rather than seeking relief here, Plaintiffs ignored the jurisdictional differences, bypassed this Court and raced to the USPTO to paint Defendants as having violated the Sotera Stipulation—setting in motion a process that is now underway and one the USPTO, through no fault of its own, has been drawn into. The only remaining issue is not whether a determination will be made, but which forum will make it. This Court should be that forum. First, it has the exclusive authority to interpret and enforce stipulations entered before it. Second, permitting the parallel determination to run its course without the benefit of a decision from this Court would risk producing a result that conflicts with this Court's own conclusions. The consequences of such a conflicting result could be serious, including termination of the current IPRs. A prompt decision by this Court confirming no violation occurred will provide guidance to the USPTO, allow the IPRs to be unstayed, and resume their course.

IV. The Sotera Stipulation Was Not Violated And Has Been Reconfirmed

A. Defendants' Repeated Commitments to Their Sotera Obligations Foreclose Any Argument of a Violation

First, it is clear that no violation has occurred; Defendants have always abided by their Sotera commitment and will continue to do so. As mentioned, Defendants filed their Sotera Stipulation following the standard format for such stipulations, agreeing to not pursue certain invalidity arguments in this proceeding if the IPRs were instituted. Dkt. 78. However, mindful of the USPTO's new and developing practice of "de-instituting" instituted IPRs (described in Section II.B *supra*), Defendants included in their invalidity contentions the full set of disclosures of prior art required under the Local Rules. Had Defendants not included those grounds in their Rule 3-3 contentions, Defendants would be permanently foreclosed from relying on that prior art in the

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district court—even if the IPRs were "de-instituted."[4] Indeed, it makes no sense to even contend that a Sotera violation has occurred here, where claim construction has not occurred, expert reports have not been exchanged, summary judgment motions have not been filed – clearly no disputed prior art grounds have been pursued and Defendants have repeatedly affirmed they will not be absent de-institution.

After Plaintiffs complained about the inclusion of written prior art references that would be covered by the Sotera Stipulation, Defendants explained in writing that those references were only included in the unlikely event that any of the IPRs were "de-instituted." Ex. 6 at 2. Indeed, Defendants went so far as to file a further stipulation reconfirming that they will not pursue any of the listed grounds that gave rise to Plaintiffs' unfounded concern of a potential violation. Defendants second stipulation states:

> Pursuant to the Scheduling Order (Dkt. 134), Defendants served invalidity contentions on February 13, 2026, ***which included some grounds as a reservation of rights in the unlikely event that one or more of Defendants' IPRs is de-instituted***. While it has been rare, the PTAB has recently vacated institution for some IPR proceedings. *See, e.g., Revvo Tech., Inc. v. Cerebrum Sensor Tech., Inc.*, IPR2025-00632, Paper 20 (PTAB Nov. 3, 2025). Defendants do not see any reason for de-institution here but nonetheless included some grounds merely as a reservation of rights. On February 20, 2026, Plaintiffs asserted that the invalidity contentions are improper because they include prior art references that are covered by the Sotera stipulations.
>
> ***Defendants confirm that the Sotera stipulation remains in effect for the instituted IPRs. So long as these respective IPRs remain instituted, Defendants' previously-submitted Sotera stipulations remain in effect, and consistent with those stipulations, Defendants will not pursue in this case any ground that was raised or could have been reasonably raised in those IPRs*** (i.e., any ground that could be raised under §§ 102 or 103 on the basis of prior art patents or printed publications), which includes the following grounds. . .

[4] It would be both unfair and absurd to hold Defendants to the Sotera Stipulation in the event of de-institution, yet that is precisely Plaintiffs' position. Batts Decl. ¶ 2(iv). The Sotera Stipulation is predicated on instituted IPR proceedings and the need to avoid conflicting determinations and duplication of efforts in two forums; de-institution would render it non-controlling as a matter of course. Moreover, if the IPRs were terminated through de-institution without a decision on the merits, and Plaintiffs were to succeed in their insistence that the stipulation remains binding notwithstanding, Defendants would find themselves having waived their right to use that prior art in any forum. Equity plainly would not support such a result, and there is no legitimate reason to bar Defendants from relying on that prior art in the litigation if there is no IPR proceeding that could result in conflicting outcomes or duplication of efforts.

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Dkt. 182, at 1 (emphasis added). Defendants then listed all prior art grounds included solely as a reservation of rights and for notice pursuant to Patent L.R. 3-3. *Id*. at 1-2.

Subsequently, the parties continued to confer, and Defendants continued to explain that they were not asserting any prior art that would violate their Sotera commitments. Despite this, Plaintiffs refused to withdraw their motions to terminate at the USPTO, while simultaneously—and contradictorily—stating that they would move to strike the contentions as a Sotera violation absent amendment. Ex. 7 at 1. But when pressed at the meet and confer about whether the dispute could be resolved by Plaintiffs agreeing not to pursue termination of the IPRs in exchange for Defendants amending the contentions, Plaintiffs refused—continuing to pursue their motions to terminate the IPRs while leaving the door open to also seeking to strike Defendants' invalidity contentions. Batts Decl. ¶ 2(iv). Defendants directly asked Plaintiffs why Defendants' repeated confirmations and supplemental stipulation did not foreclose any allegation of a Sotera violation in this case. *Id*. ¶ 2(iii). Plaintiffs could not provide any answer to that question, yet insisted they would continue to pursue the contention that Defendants were violating their Stipulation. *Id*. Plaintiffs' position is untenable in light of Defendants' binding representations.

Defendants' repeated reassurances and second stipulation further distinguish this proceeding from all prior cases in which a Sotera violation has been found. In each of those cases, the defendant took affirmative steps to advance grounds covered by the Sotera Stipulation and did not withdraw those grounds. *See, e.g.*, *Pictiva Displays Int'l Ltd.*, 2025 WL 2982341 (relying on disputed references in expert report); *Multimedia Techs. Pte. Ltd. v. LG Elecs. Inc.,* No. 2:22-CV-00494-JRG-RSP, 2025 WL 317297 (E.D. Tex. Jan. 28, 2025) (same).

Defendants here, by contrast, have affirmatively confirmed their intention to abide by the Sotera Stipulation and will ***not*** pursue any grounds covered by it. There can be no violation where Defendants have repeatedly explained the limited and conditional purpose of disclosing the prior art at issue, reaffirmed their Sotera commitments through binding stipulations, and Plaintiffs have been unable to identify any remaining concern that those measures fail to address.

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B. The Sotera Stipulation Is Not Triggered By Defendants' Invalidity Contentions

Even setting aside Defendants' binding explanations and second confirmatory stipulation, there is no basis for contending that a Sotera Stipulation violation has occurred. Sotera Stipulations by their nature concern whether a party pursues the grounds on the merits, such as at trial or in a summary judgment motion. The Sotera Stipulation's operative obligation is triggered by, and limited to, grounds that Defendants will "pursue" in this litigation. Dkt. 78 at 2 (emphasis added).

Indeed, a Sotera stipulation is, by its nature, a litigation stipulation entered in district court that governs the conduct of the filing party in the district court proceedings at trial. *Lionra Techs. Ltd.*, 2024 WL 3055977, at *3–4; *Sotera Wireless, Inc.*, IPR2020-01019, Paper 12, at 13, 18. As these cases show and as Defendants have repeatedly affirmed, disclosing a ground for purposes of satisfying Patent Local Rules is not "pursuing" it within the meaning of that commitment, and Defendants are not pursuing them.

This reading is consistent with the purpose of a Sotera Stipulation. Under 35 U.S.C. § 315(e), statutory estoppel does not attach until the IPR results in a final written decision. Without a Sotera Stipulation, therefore, a significant portion of district court proceedings can proceed in parallel with the IPR, creating a substantial risk of duplicative efforts and conflicting decisions between the district court and the PTAB. A Sotera Stipulation addresses that risk by extending estoppel to the district court proceeding prospectively, at institution and before a final written decision issues. That is why the USPTO treats such stipulations as favoring institution: "[p]etitioner's stipulation here mitigates any concerns of duplicative efforts between the district court and the Board, as well as concerns of potentially conflicting decisions." *Sotera Wireless, Inc.*, IPR2020-01019, Paper 12, at 19.

The risk of duplicative efforts and conflicting decisions between this Court and the USPTO, however, do not materialize based on complying with initial discovery and disclosure obligations: they arise, if at all, at substantially later stages of litigation, such as during expert discovery, motions for summary judgment, and trial. Providing comprehensive invalidity charts creates no such risk, as no judicial resources are expended, and the parties are merely exchanging

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discovery required by the Local Rules. This is even more true here where Defendants made repeatedly and abundantly clear that the disclosures were conditional and they were not going to pursue the overlapping prior art in the litigation absent de-institution of the IPRs. Plaintiffs' attempt to transform Defendants' explicitly conditional early-stage disclosure obligation into a Sotera violation therefore misunderstands both the nature of the Stipulation and the purpose it was designed to serve.

Consistent with this, Defendants have been unable to locate a single decision finding a Sotera Stipulation violation on the basis of invalidity contentions, an unsurprising result given the purpose of Sotera Stipulations. Instead, decisions finding a Sotera violation overwhelmingly concern a situation where defendants have refused to relinquish the pursuit of covered grounds, and instead affirmatively seek to assert such grounds as a basis for decision at much later stages of litigation, such as summary judgment or trial. *See, e.g., Hafeman v. LG Elecs., Inc.,* No. 6:21-CV-00696-ADA, 2023 WL 4362863, at *1 (W.D. Tex. Apr. 14, 2023) (denying motion for summary judgment based on estoppel arising from a Sotera Stipulation). By contrast, as explained, Defendants here are not seeking any determination from this Court on the basis of the overlapping prior art, and have instead repeatedly affirmed that they will not do so absent de-institution of the IPRs.

C. Defendants' Compliance With Patent Local Rule 3-3 Does Not Violate the Sotera Stipulation

Defendants' disclosure of invalidity grounds in their contentions reflects compliance with the Patent Local Rules' mandatory requirement to provide early notice of all potentially relevant prior art, not a commitment or intention to pursue each disclosed ground at trial.

Patent Local Rule 3-3 requires that invalidity contentions identify "***each*** item of prior art that allegedly anticipates each asserted claim or renders it obvious." Patent L.R. 3-3(a). Courts in this district have repeatedly required defendants to disclose all invalidity grounds even when they did not intend to ultimately pursue those grounds at the expert discovery, summary judgment, or trial stage. *Catch a Wave Techs., Inc. v. Sirius XM Radio, Inc.*, No. C 12-05791 WHA, 2014 WL 186405, at *2 (N.D. Cal. Jan. 16, 2014) ("The rules do not state that defendants can limit

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themselves to only references they believe are relevant to plaintiff's read of the patent."); *MLC Intell. Prop., LLC v. Micron Tech., Inc.*, No. 14-CV-03657-SI, 2018 WL 6046465, at *3 (N.D. Cal. Nov. 19, 2018) ("Micron was required to include in its invalidity contentions ***all*** prior art references of which ***it was aware*** and that it believed were relevant, regardless of whether subsequent events rendered those references more significant.") (emphasis added); *Asia Vital Components Co. v. Asetek Danmark A/S*, No. 16-CV-07160-JST, 2017 WL 11093813, at *2 (N.D. Cal. Nov. 28, 2017).

Thus, grounds disclosed under Patent LR 3-3 at this stage of the litigation serve the early discovery function of providing notice of all potentially invalidating prior art of which Defendants are aware. They do not represent the final grounds Defendants will ultimately pursue in expert declarations, motions for summary judgment, or at trial. *See* Dkt. 134 (Scheduling Order) ("Following claim construction . . . The Court will also set a schedule at that time for the ***reduction*** of infringement claims and invalidity defenses") (emphasis added). Because the Sotera Stipulation is triggered only by grounds Defendants will "pursue" in this litigation, it is not implicated by disclosures made solely to satisfy Patent Local Rule 3-3.

Defendants' invalidity contentions comply with these requirements by providing full notice of all grounds of which Defendants are aware that may invalidate the asserted patents, including the IPR grounds. Indeed, in the invalidity contentions, Defendants specifically identified the references raised in the IPRs precisely to distinguish them from the grounds Defendants may pursue at trial—itself an act of good-faith transparency consistent with both the Patent Local Rules and the Sotera Stipulation. Ex. 8 at 10, 60, 102 (providing separate charts for the prior art raised in the IPRs and explicitly noting that the references were raised in the IPRs). Moreover, Defendants made repeated binding commitments in correspondence with Plaintiffs and in filings with this Court that the listing of the overlapping prior art in the invalidity contentions is conditional only, and the prior art will not be pursued in this litigation absent de-institution of the IPRs. Dkt. 182. Accordingly, there is no possible violation of the Sotera Stipulation. Plaintiffs' attempt to transform a mandatory disclosure obligation into a Sotera breach finds no support in the law or the record, and their request for relief on this basis should be denied.

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V. Conclusion

A determination of no violation by this Court is both appropriate and necessary. Plaintiffs bypassed this Court and directed their allegations of a Sotera violation to the USPTO Director, causing the USPTO to initiate an unprecedented parallel proceeding to determine whether Defendants violated their Sotera Stipulation—a question the USPTO has never before adjudicated and has repeatedly refused to adjudicate as it is within the exclusive purview of the district court where the stipulation is in effect. A prompt ruling on this issue is necessary so the USPTO Director can have the guidance of this Court when deciding Plaintiffs' motions to terminate, and to allow the instituted IPR proceedings to move forward as the Sotera Stipulation remains in effect. Defendants have abided by their Sotera commitments, repeatedly confirmed that the prior art grounds at issue are not being pursued and were included solely for notice purposes and to preserve rights in the event of de-institution, and have filed a second stipulation reaffirming those commitments.

Accordingly, Defendants respectfully request that the Court determine that Defendants have not violated their Sotera Stipulation and swiftly issue such a determination to avoid further delay of the instituted IPR proceedings.

DATED: March 20, 2026

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By *\/s/ Harper S. Batts*

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this day, March 20, 2026, a true and correct copy of the foregoing was served on all counsel of record who have appeared in this case via the Court's CM/ECF system pursuant to Local Rule 5-1(h).

Dated: March 20, 2026

By *<u>/s/ Harper S. Batts</u>*
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