

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMAZON.COM, INC.,
AMAZON.COM SERVICES LLC,
AMAZON WEB SERVICES, INC., and
TWITCH INTERACTIVE, INC.
Petitioners

v.

NL GIKEN INC.
Patent Owner

Case No. IPR2025-00250
Patent No. 8,094,236

**PETITIONERS' OPPOSITION TO PATENT OWNER'S REQUEST TO
THE DIRECTOR FOR DISCRETIONARY DENIAL OF INSTITUTION**

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1003	File History of U.S. Patent No. 8,094,236.
1004	U.S. Patent App. Pub. No. 2004/0231003 (“Cooper”).
1005	U.S. Patent No. 7,669,213 (“Wick”).
1006	U.S. Patent No. 7,478,132 (“Chen”).
1007	U.S. Patent No. 4,754,268 (“Mori”).
1008	U.S. Patent App. Pub. No. 2001/0055951 (“Slotznick”).
1009	U.S. Patent App. Pub. No. 2006/0258289 (“Dua”).
1010	<i>NL Giken Inc. v. Amazon.com, Inc.</i> , 1:24-cv-00028, (D. Del. Oct. 4, 2024), Patent Owner’s Initial Infringement Claim Chart for the ’236 Patent (Exhibit D) (FILED UNDER SEAL).
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1014	<i>NL Giken Inc. v. Amazon.com, Inc.</i> , 1:24-cv-00028, (D. Del. Apr. 7, 2025), Patent Owner’s first set of interrogatories to Petitioner.
1015	<i>NL Giken Inc. v. Amazon.com, Inc.</i> , 1:24-cv-00028, (D. Del. Apr. 18, 2025), Patent Owner email to Petitioner about source code review.
1016	<i>NL Giken Inc. v. Amazon.com, Inc.</i> , 1:24-cv-00028, (D. Del. Apr. 4, 2025), Petitioner’s brief in support of its motion to stay.
1017	<i>NL Giken Inc. v. Amazon.com, Inc.</i> , 1:24-cv-00028, (D. Del. Apr. 21, 2025), Patent Owner’s opposition to Petitioner’s motion to stay.
1018	Email from the PTAB to Petitioner authorizing the filing of a <i>Sotera</i> stipulation in this IPR (Mar. 7, 2025).
1019	Excerpt from the file history of Patent Owner’s U.S. Patent No. 9,319,615, disclaiming the patent’s entire term (Apr. 7, 2025).

I. INTRODUCTION

Patent Owner is a foreign non-practicing entity manipulating the United States legal system and PTAB in its attempt to extort a settlement payment from one of the country's largest employers. Patent Owner's assertion of five meritless patents in the related district court litigation is the epitome of the reason that Congress created the IPR process—a cost-effective pathway to resolve the validity of low-quality patents. A foreign non-practicing entity should not be allowed to take advantage of the United States legal system to assert infringement in district court, yet completely avoid the IPR process put in place for a quick and fair review of those patents' validity. Indeed, Patent Owner already has disclaimed some claims from the '236 patent and all claims from a related patent rather than defend those claims' patentability, confirming the low quality of the '236 patent. The IPR process here should be allowed to proceed and work as it was designed to review the validity of the remaining claims.

For the avoidance of any doubt that this proceeding will be a cost-effective true alternative to the parallel district court case, Petitioner¹ stipulates that, if the Board institutes *inter partes* review in this proceeding, Petitioner will not pursue in

¹ “Petitioner” collectively refers to Amazon.com, Inc., Amazon.com Services LLC, Amazon Web Services, Inc., and Twitch Interactive, Inc.

the parallel district court proceeding ***any ground of invalidity of the '236 patent based on 35 U.S.C. §§ 102 or 103***. Moreover, none of the *Fintiv* factors or any other factor support discretionary denial.

II. DISCRETIONARY DENIAL IS NOT WARRANTED

A. The *Fintiv* Factors Do Not Support Discretionary Denial.

The *Fintiv* factors, enumerated below, do not support discretionary denial. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5-6 (P.T.A.B. Mar. 20, 2020) (precedential) (“*Fintiv*”).

1. Factor 1 (Stay) Does Not Support Discretionary Denial.

As Patent Owner acknowledges, Petitioner has filed a motion to stay in the underlying litigation. Paper 10 at 2. Patent Owner’s speculative argument that the district court is unlikely to grant the motion to stay is irrelevant because the Board “will not attempt to predict how the district court ... will proceed” regarding potential stays “because the court may determine whether or not to stay any individual case ... based on a variety of circumstances and facts.” *Sand Revolution II, LLC v. Continental Intermodal Group-Trucking LLC*, IPR2019-01393, Paper 24 at 7 (P.T.A.B. Jun. 16, 2020) (informative). At worst, this factor is neutral and does not support discretionary denial.

2. Factor 2 (Trial Date) Does Not Support Discretionary Denial.

This factor considers the “proximity of the court’s trial date to the Board’s projected statutory deadline.” *Fintiv*, Paper 11 at 5-6. “If the court’s trial date is at or around the same time as the projected statutory deadline,” the decision whether to exercise discretionary denial likely will turn on other factors, “such as the resources that have been invested in the parallel proceeding” (factor 3). *Id.* at 9. Here, the trial date in the district court’s scheduling order is June 22, 2026. EX1012 at 16. Based on the Docket Navigator time-to-trial statistics for Judge Noreika, the judge presiding over the related district court proceeding, the trial would not begin until December 2026. EX1013.

With respect to the projected statutory deadline, if the Board issues its institution decision two weeks early (on June 16, 2025), consistent with the institution timing in related IPRs, the statutory deadline for the Final Written Decision would be June 16, 2026. *See Amazon.com, Inc. v. NL Giken Inc.*, IPR2024-01161, Paper 11 (P.T.A.B. Feb. 26, 2025) (instituting IPR 13 days early); *Amazon.com, Inc. v. NL Giken Inc.*, IPR2024-01345, Paper 14 (P.T.A.B. Mar. 26, 2025) (instituting IPR 27 days early). In that case, the projected statutory deadline for the Final Written Decision would precede the trial date and this factor would not support discretionary denial.

Even assuming the latest possible Final Written Decision statutory deadline of June 30, 2026, as Patent Owner appears to do (Paper 10 at 3), the statutory deadline still would be “around the same time” as the court’s scheduled trial date (June 22, 2026). *Fintiv*, Paper 11 at 9. The Board has found this factor to weigh against discretionary denial in such circumstances. *E.g.*, *Ericsson Inc. v. XR Commc’ns LLC*, IPR2024-00868, Paper 8 at 29 (P.T.A.B. Dec. 13, 2024) (this factor weighs against discretionary denial where trial is scheduled “less than five months before the Final Written Decision”); *Ericsson Inc. v. XR Commc’ns LLC*, IPR2024-00613, Paper 9 at 34 (P.T.A.B. Oct. 9, 2024) (this factor weighs against discretionary denial where trial is scheduled “less than three months before the Final Written Decision”). The latest possible statutory deadline also still would be six months before the trial date based on Judge Noreika’s average time-to-trial (December 2026).

Moreover, even if this factor supports discretionary denial (which it does not), it still “must be balanced” against other factors, including the existence of a Petitioner stipulation (factor 4) and any “relatively modest investment in the district court action” (factor 3). *Samsung Display Co., Ltd., v. Pictiva Displays Int’l Ltd.*, IPR2024-1222, Paper 12 at 6, 9 (P.T.A.B. Mar. 6, 2025) (post-rescission) (not exercising discretionary denial even though the trial date preceded the expected final written decision date by seven months, in light of other factors);

see also Posco Co., Ltd., v. Arcelormittal, IPR2024-01376, Paper 11 at 13-14, 17 (P.T.A.B. Mar. 18, 2025) (post-rescission) (not exercising discretionary denial even though the trial date preceded the expected final written decision date by five months, in light of other factors); *Palo Alto Networks, Inc. v. Croga Innovations Ltd.*, IPR2024-01421, Paper 8 at 11, 13-14 (P.T.A.B. Mar. 14, 2025) (post-rescission) (not exercising discretionary denial even though the trial date preceded the expected final written decision date by five months, in light of other factors).

Patent Owner’s argument that Petitioner was not diligent (Paper 10 at 3) is irrelevant to this factor and is misplaced in light of Petitioner’s 1) having filed three earlier petitions for IPR arising out of the same district court case (IPR2024-01161, IPR2024-01345, and IPR2025-00050); and 2) having filed this petition just over two months after becoming aware of the asserted claims in the district court. *Fintiv*, Paper 11 at 10 (petitioner’s diligence in filing the petition is considered in light of “becoming aware of the claims being asserted” because “it is often reasonable for a petitioner to wait to file its petition until it learns which claims are being asserted against it in the parallel proceeding”); EX1010 (initial infringement contentions dated Oct. 4, 2024); Paper 1 (Petition filed Dec. 17, 2024).

3. Factor 3 (Parallel Proceeding) Does Not Support Discretionary Denial.

This factor considers “the amount and type of work already completed in the parallel litigation by the court and the parties at the time of the institution

decision.” *Fintiv*, Paper 11 at 9. “If, 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.” *Id.* at 10. Here, the district court has not made a single substantive ruling regarding the ’236 patent, and Patent Owner does not argue otherwise. Paper 10 at 4-5. This factor therefore weighs against discretionary denial for this reason alone.

Moreover, much work remains to be done in the district court, as shown below.

Event	Date
Opening Claim Construction Brief	Jun. 25, 2025
Responsive Claim Construction Brief	Jul. 18, 2025
Reply Claim Construction Brief	Aug. 1, 2025
Claim Construction Hearing	Sept. 16, 2025
Opening Expert Reports	Oct. 7, 2025
Rebuttal Expert Reports	Nov. 4, 2025
Reply Expert Reports	Dec. 9, 2025
Expert Discovery Closes	Dec. 22, 2025
Dispositive Motions	Jan. 13, 2026
Dispositive Motion Response Briefs	Feb. 6, 2026
Dispositive Motion Reply Briefs	Feb. 20, 2026
Trial Scheduling Conference	Apr. 21, 2026
Pretrial Conference	Jun. 15, 2026
Jury Selection	Jun. 22, 2026

This weighs against discretionary denial, particularly because *Markman* briefing will not be complete at the time of the institution decision here. As Patent Owner admits, “the majority of the remaining schedule for this case (claim construction, expert discovery, and trial) will still be ahead of the parties after the institution

decision issues, which will be no later than July 29, 2025.” EX1017 (Patent Owner’s response to Petitioner’s Motion to Stay) at 4. Notably, the Board has found that this factor favors institution even in cases that have advanced beyond the completion of *Markman* briefing. *See Samsung*, IPR2024-1222, Paper 12 at 7 (this factor weighs against denial, even though a *Markman* hearing has been held, in part because “much remains to be done, including expert discovery”); *see also SAP America, Inc. v. Cyandia, Inc.*, IPR2024-01432, Paper 14 at 8-9 (P.T.A.B. Apr. 7, 2025) (this factor favored institution even after *Markman* briefing was complete).

Patent Owner’s citation to *Motorola Solutions v. Stellar* is inapposite because the parties there had “served opening and rebuttal expert reports, filed claim construction briefs,” and the court had “held a claim construction hearing and construed the disputed claim terms,” neither of which will have happened here when the institution decision issues.² *Motorola Solutions, Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19 at 3 (P.T.A.B. Mar. 28, 2025). Any claim construction order will still be several months away at the time of the institution decision, as shown above.

² Depending on the timing of an institution decision, Patent Owner may have served its June 25 opening claim construction brief by that time.

Patent Owner's list of tasks completed in the litigation likewise is flawed because it includes many tasks that typically take place relatively early in litigation and therefore do not show "significant investment." Paper 10 at 4 (producing documents, producing source code, and reviewing source code). Indeed, only within the last month did Patent Owner serve its first set of interrogatories on Petitioner in the district court, and Petitioner will not have served its responses to those first interrogatories by the time it files this brief. EX1014 (dated April 7, 2025). Patent Owner also notes that it has spent time reviewing source code. Paper 10 at 4. But Patent Owner's technical expert in the district court case, Dr. Kevin Almeroth, has not even started to review the source code, and Patent Owner has told Petitioner that he does not intend to do so until expert discovery. EX1015. The most meaningful source code review therefore still lies ahead.

Patent Owner's argument about Petitioner's supposed lack of diligence again is incorrect for the reasons set forth above for the previous factor. Paper 10 at 5; §II.A.2. Namely, Petitioner 1) filed three earlier petitions for IPR arising from the same district court case; and 2) filed this petition just over two months after becoming aware of the asserted claims in the district court. *See* §II.A.2 (citing *Fintiv*).

4. Factor 4 (Issue Overlap) Does Not Support Discretionary Denial.

Petitioner projects that the Board would issue a Final Written Decision shortly before the currently scheduled trial date and six months before trial based on Judge Noreika's average time to trial (December 2026). *See* § II.A.2. The estoppel arising from the Final Written Decision will ensure that the grounds addressed during *inter partes* review will differ from any grounds of invalidity of the '236 patent presented during trial. Moreover, weeks before the filing of the POPR, Petitioner submitted a *Sotera* stipulation in this IPR that precludes it from presenting at trial "the same grounds as in the petition or any grounds that could have reasonably been raised in the petition." Paper 8 at 1. That *Sotera* stipulation further ensures that the grounds addressed during *inter partes* review will differ from any grounds of invalidity of the '236 patent presented during trial. Moreover, Petitioner's additional stipulation set forth in the introduction of this brief guarantees that, if the Board institutes this IPR, there will be no overlap in the invalidity arguments for the '236 patent between the IPR and the district court. This stipulation also renders moot all of Patent Owner's arguments about Petitioner's invalidity contentions in the district court and Petitioner's *Sotera* stipulation. Paper 10 at 5-9. This stipulation indisputably ensures that this IPR will be a true alternative to the district court litigation.

Patent Owner devotes several paragraphs to baldly asserting that Petitioner somehow will assert “the exact same art” at trial. Paper 10 at 5-7. But Patent Owner’s speculation is flawed for several reasons and, in fact, impossible. Assuming institution, Petitioner’s *Sotera* stipulation prevents Petitioner from using in the district court “the exact same art” or any art that reasonably could have been raised in this IPR. Moreover, Petitioner’s stipulation in this brief renders Patent Owner’s arguments moot.³

Patent Owner also cites an offer Petitioner made during a meet and confer before Petitioner filed a motion to stay the pending district court litigation based on the pending IPRs. Paper 10 at 8. As set forth in the motion, Petitioner stipulated that, “if the Court orders a stay, Defendants will not pursue any §§ 102 or 103 invalidity grounds—including system art—for the already instituted ’615 patent or

³ Patent Owner also misstates that the Cooper prior art reference is “Petitioner’s lead reference.” Paper 10 at 6. In Petitioner’s invalidity contentions for the ’236 patent, it charts two primary prior art references that have equal weight: Cooper and Wick, which is not at issue in the IPR. EX2002 at B-1 to B-54 (Wick claim chart). Patent Owner fails to acknowledge the existence of the Wick claim chart. Paper 10 at 5-9.

for the '236 and '391 patents (even if the PTAB denies institution on the merits).”⁴ EX1016 at 5. Patent Owner mischaracterizes Petitioner’s district court stipulation as somehow “amplify[ying] the ongoing and pervasive gamesmanship at work here.” Paper 10 at 8. Patent Owner ignores the fact that this stipulation, if accepted, would eliminate any overlap in invalidity arguments between the IPRs and the district court for these three patents. Nonetheless, Petitioner’s stipulation in this brief again renders Patent Owner’s argument moot.

Patent Owner’s argument that Petitioner’s *Sotera* stipulation is “belated” (Paper 10 at 1, 6) fails because the PTAB expressly authorized Petitioner to file the *Sotera* stipulation, and Petitioner did so on the same day. EX1018; Paper 8. Relatedly, the PTAB in its April 17, 2025 “Boardside Chat” webinar verbally announced that *Sotera* stipulations must be filed within one month of receiving a “Notice of Filing Date Accorded.” The Director should not apply that new rule to Petitioner in this proceeding because Petitioner did not have notice of it until after the applicable deadline had passed. Retroactively applying a new rule announced during a webinar would be arbitrary, capricious, and an abuse of discretion.

⁴ Petitioner noted that “[s]hould the PTAB deny institution on discretionary grounds, Defendants do not agree to be estopped.” EX1016 at 5 n1.

In view of Petitioner’s prior *Sotera* stipulation and the additional stipulation here that ensures this IPR will be a true alternative to the parallel district court action, this factor strongly weighs against discretionary denial.

5. Factor 5 (Same Party) Does Not Support Discretionary Denial.

Because Petitioner and the Patent Owner are the parties in the district court litigation, and because the Board is likely to reach the merits before or, at worst, around the same time as the district court, this factor weighs slightly against discretionary denial. See *NVIDIA Corp. v. Invensas Corp.*, IPR2020-00603, Paper 11, at 23 (P.T.A.B. 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”). And the complete absence of overlap between this IPR and the district court proceeding limits the extent to which this factor may support discretionary denial (which it does not). *Snap, Inc. v. SRK Tech. LLC*, IPR2020-00820, Paper 15 at 16 (P.T.A.B., Oct. 21, 2020) (precedential).

Moreover, the PTAB has acknowledged that *Fintiv* addresses only the scenario in which the petitioner is unrelated to a defendant in a parallel proceeding, finding this should weigh against denying institution, but that *Fintiv* “says nothing about situations in which the petitioner is the same as, or is related to, the district court defendant.” *Cisco Sys., Inc. v. Ramot at Tel Aviv Univ. Ltd.*, IPR2020-00122, Paper 15, at 11 (P.T.A.B. May 15, 2020) (APJ Crumbley, dissenting) (disfavoring

a “defendant in the district court” is “contrary to the goal of providing district court litigants an alternative venue to resolve questions of patentability”); *Fintiv* at 13-14 (saying nothing about situations in which the petitioner also is the district court defendant). Patent Owner’s assertion that *Fintiv* supports this factor favoring discretionary denial therefore is baseless. Paper 10 at 9.

6. Factor 6 (Other Considerations) Does Not Support Discretionary Denial.

a. The Merits of the Petition Are Strong.

This factor considers “other circumstances” that may impact the exercise of discretionary denial, such as the merits of the petition. *Fintiv* at 14. Here, the merits of the Petition are compelling. For example, after receiving the Petition and before filing its preliminary response, Patent Owner chose to disclaim independent claim 10 and dependent claims 3 and 13 rather than defend their patentability. EX2003 (Patent Owner’s disclaimer). Petitioner therefore already has effectively prevailed on the Petition’s ground 1, challenging claims 10 and 13, confirming that the merits of the Petition are strong.

Patent Owner also has disclaimed all sixteen claims from a related patent, U.S. Patent No. 9,319,615. EX1019 (disclaiming the entire term of ’615 patent). Patent Owner’s broad disclaimer casts further doubt on the patentability of the patent family, including the parent ’236 patent.

Petitioner’s challenge of the patent’s independent claim 1 is as strong as its challenge to independent claim 10, which Patent Owner disclaimed. Petitioner explains in detail how the Cooper prior art reference, which also was the basis of unpatentability for claim 10, discloses every limitation of claim 1. Paper 1 at 35-54. Moreover, in Patent Owner’s preliminary response, it contends that only three words of claim 1 are missing from Cooper (which they are not): “predetermined second information.” Paper 9 at 3.

Patent Owner’s argument that the IPR’s grounds are described as §103 challenges (Paper 10 at 9) ignores the fact that the Petition shows that Cooper discloses every limitation of claim 1, in addition to providing supplemental obviousness arguments. Paper 1 at 35-54. And Patent Owner does not attack the merits of Petitioner’s supplemental obviousness arguments, either in its POPR or discretionary denial briefing. Paper 9; Paper 10 at 11. In sum, the strength of the Petition alone makes this factor disfavor discretionary denial.

Petitioners agree with Patent Owner’s argument that discretionary denial should be treated consistently for all the *inter partes* review petitions associated with the related district court proceeding. *Amazon.com, Inc. v. NL Giken Inc.*, IPR2024-01345, Paper 16 at 12 (P.T.A.B. Apr. 9, 2025) (“PIECEMEAL IPR PROCEEDINGS ARE REPUGNANT TO THE GOAL OF THE AIA TO SERVE AS A LITIGATION ALTERNATIVE”). As of this filing, the ’968 IPR is

instituted and proceeding. IPR2024-01345, Paper 14. By the time of the institution decision, Petitioner expects institution will have been already granted in half of the *inter partes* reviews associated with the related district court proceeding. Thus, and in accordance with Patent Owner’s own arguments, discretionary denial is disfavored to allow the PTAB to adjudicate this “pending proceeding consistently” and to ensure “that IPR serves as a ‘true alternative’ to the district court proceeding.” See IPR2024-01345, Paper 16 at 12 (cleaned up).

b. Patent Owner’s § 325(d) Argument Is Meritless.

Patent Owner’s arguments about § 325(d) fail because Petitioner has no burden in its petition to prove a negative—the absence of a § 325(d) issue. See *Masimo Corp. v. Apple Inc.*, IPR2023-00634, Paper 14 at 12-13 (P.T.A.B. Sept. 25, 2023) (“Patent Owner identifies no rule, statute, or precedent that requires a petitioner to meet any burden on § 325(d) issues in the petition.”). And Patent Owner cites no prior art from the ’236 patent prosecution history or that has otherwise been presented to the Patent Office that is substantially identical to the prior art in the Petition. Paper 10 at 9-10. Indeed, there is none. See Paper 1 at 73. Section 325(d) therefore does not favor discretionary denial.

* * *

In sum, none of *Fintiv* factors favor the Director exercising her discretion to deny institution.

B. No Other Factors Support Discretionary Denial

Patent Owner notes that the Petition includes a “90-page expert declaration,” but does not explain how this fact is different than a typical IPR petition (it is not) or why it supposedly supports discretionary denial (it does not). Paper 10 at 11. Indeed, the Petition nearly copies the limitation-by-limitation analysis by the expert in his expert declaration, resulting in little to no extra burden on the PTAB to review additional content. *Compare* Paper 1 at 35-54 (claim 1) *with* EX1002 at 66-87 (claim 1).

Patent Owner also argues that the Petition does not explain how the expert testimony together with the cited art is “different from the prosecution history.” Paper 10 at 11. Patent Owner’s argument appears to repeat its § 325(d) argument because § 325(d) considers what prior art was previously presented to the Patent Office, such as during prosecution history. Paper 10 at 9-10. That argument fails for the reasons set forth above for Factor 6. Namely, the IPR prior art is not substantially identical to any art from the ’236 patent prosecution history and Patent Owner has not shown otherwise.

Patent Owner next argues that the ’236 patent has been in force for over 13 years, but fails to establish any “settled expectation” of Patent Owner or its apparent sole employee, Mr. Tanaka. Paper 10 at 11. Patent Owner is a Japanese (non-practicing) entity and Mr. Tanaka resides in Japan. EX1001 at 1 (listing

“Osaka (JP)” as the location of both). These Japanese entities may not have any “settled expectation” about patents in a foreign country (the United States), and Patent Owner does not show otherwise. Paper 10 at 11.

Moreover, any “settled expectations” Patent Owner may have in the ’236 patent is belied by Patent Owner’s disclaiming of claims from several of its patents. Patent Owner disclaimed all claims of the related ’615 patent, as described for Factor 6. Patent Owner also disclaimed independent claim 10 and dependent claims 3 and 13 from the ’236 patent rather than attempt to defend their patentability in these proceedings, as also described for Factor 6. EX2003 (Patent Owner’s disclaimer). If Patent Owner had any settled expectations regarding the ’236 patent (which Patent Owner has not shown), it cannot have such expectations now given that it surrendered those claims so readily. Patent Owner also has disclaimed nine of sixteen claims from its asserted U.S. Patent No. 10,880,592, and two claims from its asserted U.S. Patent No. 8,677,391, further eroding any “settled expectations” it may have in its patent portfolio. *Amazon.com, Inc. v. NL Giken Inc.*, IPR2025-00050, EX2001 (disclaiming the ’592 patent’s claims 6-13), EX2008 (disclaiming the ’592 patent’s claim 4); *Amazon.com, Inc. v. NL Giken Inc.*, IPR2025-00407, EX2003 (disclaiming the ’391 patent’s claims 2 and 11).

Likewise, in the two IPRs between Patent Owner and Petitioner in which the PTAB has issued an institution decision, the PTAB has instituted both IPRs.

Amazon.com, IPR2024-01161, Paper 11; *Amazon.com*, IPR2024-01345, Paper 14.

Thus, as the PTAB found, there is a reasonable likelihood that Petitioner will show at least one claim of each patent to be unpatentable. These institutions further dampen any “settled expectations” Patent Owner may have had in its patent portfolio, including the ’236 patent.

Patent Owner also alleges that Mr. Tanaka has “built up” NL Giken (Patent Owner) over many years, but fails to establish how this fact (if true) supports discretionary denial. Paper 10 at 11-12. And it does not. Patent Owner apparently has no products, has no sales, offers no services, has no offices, and has no employees other than possibly Mr. Tanaka. Nor does it appear to have ever had any products, sales, services, offices or other employees. Patent Owner’s note that “NL Giken is 100% reliant on its patent portfolio” confirms as much. Paper 10 at 11-12. Patent Owner’s being “built up” appears to refer to it obtaining poor-quality patents in the United States Patent Office that it later readily disclaims, as described above, with the hope of first leveraging the United States legal system to extort settlement payments from United States-based companies such as Apple Inc. and Amazon.com, Inc. *See Apple Inc. v. NL Giken Inc.*, IPR2024-01277, Paper 1 (P.T.A.B. Aug. 28, 2024) (Apple’s petition for IPR arising out of litigation with NL Giken).

In sum, no additional factors warrant discretionary denial.

C. The Interim Processes for PTAB Workload Management Violate the Administrative Procedures Act.

The Director’s “Interim Processes for PTAB Workload Management” (the “Interim Processes”) dated March 26, 2025 violates the Administrative Procedures Act (“APA”) in four ways.

First, the Interim Processes exceed the Director’s authority and violate the America Invents Act (“AIA”). Nothing in the AIA authorizes the Director to deny IPR petitions based on the factors referenced in the Interim Processes.

Second, the Interim Processes are arbitrary and capricious. The PTAB’s application of the *Fintiv* factors has led to unpredictable disparities among similarly situated IPR petitioners, resulting from the uncertainty and malleability of the factors. The Interim Processes only worsen these problems by, for example, introducing several additional unpredictable and malleable factors.

Third, the Interim Processes are procedurally invalid because the Director issued them without complying with the notice-and-comment rulemaking requirements. *See* 5 U.S.C. § 553(b), (c); 35 U.S.C. §§ 2(b)(2), 316(a).

Fourth, discretionary denial for any basis other than as authorized in 35 U.S.C. § 314(a) is unauthorized. The law does not provide the Director absolute discretion regarding whether to institute IPR, but instead limits that discretion to the bases authorized in 35 U.S.C. § 314. *See also* 35 U.S.C. § 316(a)(2).

Petitioner therefore requests that the Director deny Patent Owner's request for discretionary denial for these additional reasons.

III. CONCLUSION

Petitioner requests that the Director deny Patent Owner's request for discretionary denial.

Date: May 1, 2025

Respectfully submitted,

/s/ Jennifer Librach Nall

Jennifer Librach Nall

Reg. No. 57,053

DLA Piper LLP (US)

303 Colorado Street, Suite 3000

Austin, Texas 78701

Phone: 512.457.7249

Fax: 512.721.2249

jennifer.nall@dlapiper.com

*Attorney for Petitioners Amazon.com,
Inc., Amazon.com Services, Inc.,
Amazon Web Services, Inc., and Twitch
Interactive, Inc.*

CERTIFICATE OF WORD COUNT

Petitioner certifies that this brief includes 4,204 words, as measured by Microsoft Word, exclusive of the table of contents, the table of authorities, the certificate of service, the certificate of word count, and the index of exhibits.

Date: May 1, 2025

/s/ Jennifer Librach Nall

Jennifer Librach Nall

Reg. No. 57,053

DLA Piper LLP (US)

303 Colorado Street, Suite 3000

Austin, Texas 78701

Phone: 512.457.7249

Fax: 512.721.2249

jennifer.nall@dlapiper.com

*Attorney for Petitioners Amazon.com,
Inc., Amazon.com Services, Inc.,
Amazon Web Services, Inc., and Twitch
Interactive, Inc.*

CERTIFICATE OF SERVICE

The undersigned certifies pursuant to 37 C.F.R. §§ 42.6(e) that on May 1, 2025, a true and correct copy of this brief and any new exhibits were served by emailing a copy of same (by agreement) to the following attorneys for the Patent Owner:

- Scott A. McKeown (SMcKeown-PTAB@WolfGreenfield.com)
- Gerald B. Hrycyszyn (GHrycyszyn-PTAB@WolfGreenfield.com)
- Victor Cheung (VCheung-PTAB@WolfGreenfield.com)

Date: May 1, 2025

/s/ Jennifer Librach Nall

Jennifer Librach Nall

Reg. No. 57,053

DLA Piper LLP (US)

303 Colorado Street, Suite 3000

Austin, Texas 78701

Phone: 512.457.7249

Fax: 512.721.2249

jennifer.nall@dlapiper.com

*Attorney for Petitioners Amazon.com,
Inc., Amazon.com Services, Inc.,
Amazon Web Services, Inc., and Twitch
Interactive, Inc.*