

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TESLA, INC.

Petitioner,

v.

INTELLECTUAL VENTURES II LLC,

Patent Owner.

Case No. IPR2025-00343
U.S. Patent No. 10,292,138

**BRIEF IN SUPPORT OF PATENT OWNER'S REQUEST FOR
DISCRETIONARY DENIAL**

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PATENT OWNER'S EXHIBIT LIST

Ex. 2001	Petitioner's Answer to Complaint and Counterclaim, dated June 20, 2024, in <i>Intellectual Ventures II LLC v. Tesla, Inc.</i> , C.A. 1:24-cv-00884-ADA (W.D. Tex.)
Ex. 2002	Docket from District Court Litigation, <i>Intellectual Ventures II LLC v. Tesla, Inc.</i> , C.A. 1:24-cv-00884-ADA (W.D. Tex.)
Ex. 2003	Scheduling Order from District Court Litigation, <i>Intellectual Ventures II LLC v. Tesla, Inc.</i> , C.A. 1:24-cv-00884-ADA (W.D. Tex.)
Ex. 2004	Defendant's Second Supplemental Preliminary Invalidity Contentions, dated January 9, 2025, in District Court Litigation, <i>Intellectual Ventures II LLC v. Tesla, Inc.</i> , C.A. 1:24-cv-00884-ADA (W.D. Tex.)
Ex. 2005	Webpage for Judge Albright http://www.txwd.uscourts.gov/for-attorneys/judge-albright-courtroom-faq/
Ex. 2006	Defendant's Final Invalidity Contentions, dated May 22, 2025, in District Court Litigation, <i>Intellectual Ventures II LLC v. Tesla, Inc.</i> , C.A. 1:24-cv-00884-ADA (W.D. Tex.)

I. INTRODUCTION

Pursuant to the Memorandum by the Acting Director dated March 26, 2025, setting forth the “Interim Processes for PTAB Workload Management” (the Memorandum), Patent Owner hereby sets forth the applicable bases for discretionary denial of institution. This filing is being made within the time period established by the Notice Extending Deadline for Discretion Briefing. Paper #6. As explained more fully below, all of the *Fintiv* factors, as well as several additional factors set forth in the Memorandum, favor the discretionary denial of institution in this case.

With respect to the *Fintiv* factors, Petitioner filed a Counterclaim on June 20, 2024 challenging the validity of U.S. Patent No. 10,292,138 (“138 Patent,” Ex. 1001) in *Intellectual Ventures II LLC v. Tesla, Inc.*, C.A. 1:24-cv-00884-ADA (W.D. Tex.) (the “Parallel Litigation.”) Ex. 2001, at 82-83 and Ex. 2002, at 6-7. As discussed in detail below, the Parallel Litigation has already progressed significantly, including the filing of all claim construction briefings, the completion of the Markman Hearing on April 10, 2025, and the completion of Final Infringement and Invalidity Contentions on May 22, 2025 (Ex. 2006). By the anticipated date of the institution decision in this matter (August 25, 2025), the parties will be well into fact discovery, and the Court will, in all likelihood, have issued its claim construction ruling. Ex. 2003, 2-3. The Trial will begin on May 14,

2026, over 3 months before the statutory deadline for issuing a Final Written Decision in this matter on August 25, 2026. Ex. 2003, 4.¹

With respect to other factors identified in the Memorandum, the Petition relies heavily on expert testimony that largely parrots *verbatim* the wording of the Petition. In addition, the ‘138 Patent will expire on May 8, 2026 -- before the statutory deadline for issuing a Final Written Decision in this matter on August 25, 2026. These factors also weigh in favor of discretionary denial.

For all of these reasons, and as explained more fully below, the Director should exercise her discretion to deny institution.

II. THE FINTIV FACTORS FAVOR DISCRETIONARY DENIAL

The precedential order in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB March 20, 2020) (“*Fintiv*”) identifies six factors for the Board to consider in deciding whether to exercise discretion to deny institution based on parallel proceedings involving the same patent. Application of the present facts to these factors demonstrates that there are strong reasons for exercising discretion to deny institution here.

¹ The Petition (at 81, note 4) incorrectly asserts that “[t]he district court has not entered an order scheduling a trial date.” As shown on the last page of the Court’s Scheduling Order, a jury trial is scheduled for May 14, 2026. Ex. 2003, 4.

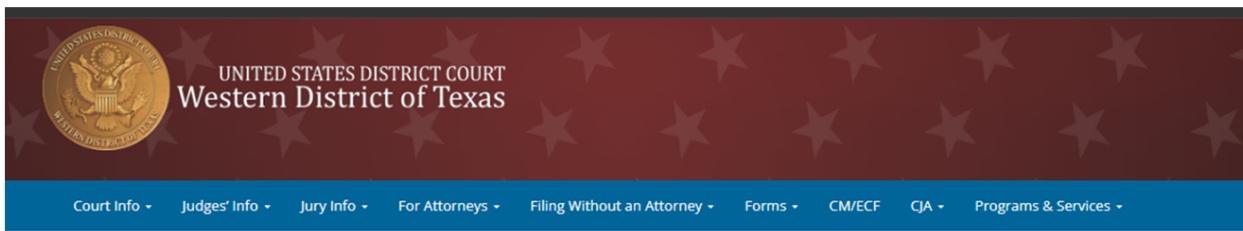
A. Factor 1 Weighs Against Institution Because A Stay Has Not Been Granted In The Parallel Litigation And There Is No Evidence That A Stay Would Be Granted If This IPR Was Instituted

No stay has even been requested in the Parallel Litigation. Pet., 80. In addition, even if this IPR was instituted (which would not occur until on or around August 25, 2025), it is unlikely that the Court (Judge Albright) would grant a stay. *See, generally, Continental Intermodal Grp. v. Sand Revolution LLC*, No. 7:18-cv-00147 (W.D. Tex. July 22, 2020) (Judge Albright) *Multimedia Content Mgmt. LLC v. Dish Network*, No. 6:18-CV-00207-ADA, 2019 U.S. Dist. LEXIS (W.D. Tex. May 30, 2018) (Judge Albright) (denying stay).

Thus, the first factor weighs against institution.

B. Factor 2 Weighs Against Institution Because The Parallel Litigation Has A Trial Date Scheduled Before The Projected Statutory Deadline For The Board's Final Written Decision

The Trial in the Parallel Litigation is scheduled for May 14, 2026, over 3 months before the statutory deadline for issuing a Final Written Decision in this matter on August 25, 2026. Judge Albright, who is overseeing the Parallel Litigation, has made crystal clear that he will not move the trial date “except in extreme circumstances.” Judge Albright posts the following admonition on the Court’s website:



Judge Albright Patent FAQ

Q. When will the Court set the trial date?

A. At or before the CMC, the Court will provide an estimated trial date based on the number of patents-in-suit, the complexity of the case, etc. To the extent the parties would like to reset the trial date, the parties should raise that at the end of the Markman hearing. After the trial date is set, the Court will not move the trial date except in extreme situations. To help the parties prepare for trial, the Court is available on very short notice to help the parties resolve issues or provide guidance that can help the case move forward. The Court is also willing, if circumstances permit, to reduce the time it has to review summary judgment and Daubert motions. To the extent a party believes that the circumstances warrant continuing the trial date, the parties are directed to contact the Court to request a telephonic hearing.

Ex. 2005 (www.txwd.uscourts.gov/for-attorneys/judge-albright-courtroom-faq/).

There is no evidence of any such “extreme circumstances” in the present case, nor has Petitioner even alleged that such “extreme circumstances” exist here.

Rather than looking at the actual scheduled trial date, the Petition relies on the median time from filing to case disposition in the Western District of Texas. However, on February 28, 2025, the Office *rescinded* former Director Vidal’s 2022 memorandum on discretionary denials which had directed that such statistics be considered. The announcement rescinding former Director Vidal’s 2022 memorandum went on to state that decisions relying on the 2022 memo will be “*neither binding or persuasive on the PTAB.*” In view of the above, Petitioner’s arguments based on the time to trial statistics cannot be considered persuasive in the face of Judge Albright’s standing policy against moving the trial date. Ex. 2005.

Finally, while the Memorandum issued by Administrative Patent Judge Boalick on March 24, 2025 indicates that time-to-trial statistics “may” still be considered along with any other evidence the parties may submit, the Acting Director’s rescission of the 2022 Vidal Memo (which had directed the application of such statistics in lieu of an earlier actual trial date) demonstrates that such statistics have lesser importance where, as here, an actual trial date has been set by the Court, and the Court has admonished the parties that the trial date will not be moved except in “extreme circumstances.”

Given that the actual trial date is months before the due date for the Final Written Decision, the second factor favors discretionary denial.

In a co-pending IPR challenging a different patent that is being asserted against Petitioner in the Parallel Litigation, Petitioner predicts that the Parallel Litigation will be bifurcated, causing delay of the trial date set forth in the Scheduling Order. *See*, IPR2025-00218, Paper #7, at 1. In support of this prediction, Petitioner relies on an article (IPR2025-00218, Ex. 1021) quoting an out of court statement made by Judge Albright five years ago at a conference, and a prior bifurcation order in an unrelated case. IPR2025-00218, Ex. 1020. However, Petitioner fails to mention that the bifurcation order it cites resulted from a joint motion to bifurcate. No such motion has been filed in the Parallel Litigation, nor has either party sought bifurcation of the district court proceedings. In addition,

Petitioner also omits the portion of the article in which “Judge Albright said he’s presiding right now over a case with ‘seven or eight’ patents, and the parties have made opposite requests about how to try the case.” IPR2025-00218, Ex. 1021. This undercuts Petitioner’s position, as it demonstrates that trial structure decisions depend on actual party requests—which are absent here. In short, there is no evidence in the record that the district court will bifurcate the Parallel Litigation.

In a co-pending IPR challenging a different patent that is being asserted against Petitioner in the Parallel Litigation, Petitioner has argued that the “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.” IPR2025-00339, Paper #9, at 14. There is not a shred of evidence that new cases being assigned to Judge Albright will cause him to move any of the trial dates currently scheduled in the Court’s existing cases. While the new cases may receive trial dates further into the future depending on the volume of the new cases, there is no reason (let alone evidence) that new cases will result in any currently scheduled trial dates being delayed.

For all of the above reasons, the second factor favors discretionary denial.

C. Factor 3 Weighs Against Institution Because The Parties Will Have Invested Significant Effort In The Parallel Litigation By The Time The Board's Institution Decision Is Due

Factor 3 relates to investment in the Parallel Litigation by the District Court and the parties. *Fintiv*, Paper 11 at 9. This factor is judged from the date of the institution decision, which is expected to be no later than August 25, 2025. *Id.* By the time the Board's institution decision is due, the following will have been completed in the Parallel Litigation:

- PO's Preliminary Infringement Contentions (served August 1, 2024);
- Petitioner's Preliminary Invalidity Contentions (served October 24, 2024);
- Parties exchanged claim terms for construction (November 14, 2024);
- Parties exchanged proposed claim constructions (December 5, 2024);
- Parties disclosed extrinsic evidence for claim construction (December 12, 2024);
- Petitioner's Opening Claim Construction Brief (January 9, 2025);
- PO's Responsive Claim Construction Brief (February 10, 2025);
- Petitioner's Reply Claim Construction Brief (March 3, 2025);
- PO's Sur-Reply Claim Construction Brief (March 24, 2025);
- Parties technical tutorials submitted to Court (March 31, 2025);
- Markman Hearing (scheduled for April 10, 2025);
- Fact discovery (opens April 11, 2025); and

- Final Infringement and Invalidity Contentions (May 22, 2025).

Ex. 2003, 1-2. Clearly, the parties and the Court will have made a substantial investment in the Parallel Litigation by the expected date of the institution decision on August 25, 2025.

The Petition was filed on December 31, 2024. At that time, Petitioner asserted that “[t]he investment in the co-pending litigation has been minimal.” Pet., at 82. Patent Owner disagrees that the investment in the co-pending litigation was minimal as of December 31, 2024. However, even if Petitioner’s assertion about the state of affairs on December 31, 2024 was accurate, it is irrelevant. As explained in *Fintiv*, the investment in the Parallel Litigation by the District Court and the parties is judged from the date of the anticipated institution decision, which is expected to be about August 25, 2025 -- rather than December 31, 2024. *Fintiv*, Paper 11 at 9. There can be no serious argument that by August 25, 2025, the District Court and the parties will have made a substantial investment in the Parallel Litigation.

For these reasons, Factor 3 weighs in favor of discretionary denial.

D. Factor 4 Weighs Against Institution Because There Is Substantial Overlap Between The Parallel Litigation And This IPR

As mentioned above, Petitioner filed a Counterclaim in the Parallel Litigation challenging the validity of the ‘138 Patent as a whole. Ex. 2001, at 82-83. The Counterclaim is not limited to any particular claim(s) of the ‘138 Patent, and

therefore covers all claims of the ‘138 Patent -- including the claims challenged in this IPR.

On January 9, 2025 -- nine days after filing its Petition -- Petitioner filed its Second Supplemental Preliminary Invalidity Contentions in the District Court. As explained below, there is complete overlap between the prior art references advanced by the Petitioner in this IPR and those advanced by the Petitioner in the Parallel Litigation. Set forth below is a summary of the grounds raised in the Petition, and the prior art asserted in each ground:

Grounds	Claims	Basis (pre-AIA)
#1	1-4, 8-11	35 U.S.C. §103 over Eckert in view of Bucknell and Lohr-1
#2	5, 12	§103 over Eckert in view of Bucknell, Lohr-1, and Hans
#3	6, 13	§103 over Eckert in view of Bucknell, Lohr-1, and Lohr-2

Pet., 13. As set forth in the Petition, Lohr-1 is WIPO Publication WO 2005/125,252 and Lohr-2 is U.S. Patent Pub. No. 2008/0254804. Pet., 14. Set forth below is an excerpt from Petitioner’s Second Supplemental Preliminary Invalidity Contentions in the Parallel Litigation showing the prior art relied on by Petitioner for challenging the ‘138 Patent in the District Court:

1. Prior Art Patents and Patent Publications

Ex. No.	Patent/ Publication	Referenced As	Publication / Priority Date
I1	U.S. Pat. No. 8,649,389 B2	Fox	March 30, 2007
I3	U.S. Pat. App. Pub. No. 2005/0,238,051 A1	Yi	October 27, 2005
I4	U.S. Pat. App. Pub. No. 2006/0,088,058 A1	Eckert	April 27, 2006
I5	U.S. Pat. App. Pub. No. 2007/0,297,435 A1	Bucknell	November 4, 2005
I6	WO 2005/125,252 A1	Löhr	December 29, 2005
I7	U.S. Pat. No. 10,779,288 B2	Gerkiş	July 15, 2002
I8	U.S. Pat. No. 6,850,540	Peisa	February 1, 2005
I9	3GPP TS 25.321 V6.8.0	25.321 V6.8.0	March 2006
I10	3GPP RAN WG2 RAN2 Meeting #53, R2-061415	R2-061415	May 2006
I11	U.S. Pat. No. 7,245,636 B1	Hans	September 19, 2000
I12	U.S. Pat. App. Pub. No. 2008/0254804 A1	Lohr 804	February 7, 2006

Ex. 2004, 27; *see also*, 166-196. In its Final Invalidity Contentions dated May 22, 2025, Petitioner reiterated again its reliance on the same references in the Parallel Litigation. Ex. 2006, 31. Thus, all of the prior art asserted in this IPR -- namely, Eckert, Bucknell, Lohr-1 (WO 2005/125,252) and Lohr-2 (U.S. Patent Pub. No. 2008/0254804) -- are also being asserted in the Parallel Litigation.

At the time the Petition was filed on December 31, 2024, Petitioner argued that “[t]he extent of overlap is ... speculative at this point in time.” Pet., at 82. However, just nine days later, on January 9, 2025, Petitioner filed its Second Supplemental Preliminary Invalidity Contentions in the Parallel Litigation setting forth in detail Petitioner’s invalidity contentions for the ‘138 Patent in the Parallel Litigation, which rely on the same references asserted in this IPR. On May 22, 2025, Petitioner reiterated again its reliance on the same references in the Parallel

Litigation. Ex. 2006, 31. At this point in time, the complete overlap between the proceedings is far from being “speculative.”

Because there is a significant overlap between this IPR and the Parallel Litigation, there are particularly strong “concerns of inefficiency and the possibility of conflicting decision” if this IPR is instituted. *Fintiv*, Paper 11 at 12. Thus, the fourth factor weighs against institution.

As noted above, Petitioner filed this IPR on December 31, 2024. Merely nine days later, on January 9, 2025, Petitioner filed its Second Supplemental Preliminary Invalidity Contentions in the District Court -- a detailed 241-page document that did not materialize overnight. Ex. 2004. Clearly, at the time Petitioner filed this IPR on December 31, 2024, Petitioner had every reason to anticipate that there would be significant overlap between the prior art references advanced by the Petitioner in this IPR and those advanced by the Petitioner in the Parallel Litigation. After all, the issue of overlap was completely within Petitioner’s control -- as Petitioner is the party that chose which references to assert in each forum. However, rather than deal with the overlap that Petitioner could have certainly foreseen, Petitioner made the strategic decision in the Petition to characterize the extent of overlap as “speculative.” Pet., 82. As explained more fully in the next section, to the extent Petitioner abandons that position going forward in favor of a *Sotera* stipulation, Petitioner’s stipulation would be untimely and should be rejected.

1. Petitioner Failed To Timely File A *Sotera* Stipulation

The Board has stated that “a petitioner should file a *Sotera* or *Sand* stipulation as soon as practicable, so that a patent owner may address the impact of the stipulation in its discretionary denial brief.” FAQs for Interim Processes for PTAB Workload Management, FAQ #14 (emphasis added).² In this case, Petitioner has been on notice of the importance of filing any *Sotera* stipulation before Patent Owner files its Discretionary Denial Brief, and Petitioner has made the strategic choice to let time pass and not to file a *Sotera* stipulation. Given Petitioner’s failure to file a *Sotera* stipulation prior to Patent Owner’s filing of the instant Discretionary Denial Brief, the window for filing any such stipulation should be deemed closed. To the extent Petitioner files a *Sotera* stipulation in the future, it is simply too late and should be rejected.

In addition to being contrary to the FAQs for Interim Processes for PTAB Workload Management (specifically, FAQ #14), accepting any such belated *Sotera* stipulation is inconsistent with the requirement that a Petitioner set forth its positions in the Petition itself. In *SAS Institute Inc. v. Iancu*, 138 S. Ct. 1348, (2018), the United States Supreme Court held that an IPR must proceed in accordance with the petition. *SAS Inst., Inc. v. Iancu*, 584 U.S. 357, 365 (2018); see 35 U.S.C. § 312(a)(3). Because of the expedited nature of IPR proceedings, “[i]t is of the utmost importance that petitioners in the IPR proceedings adhere to the requirement that the initial

² www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management

petition” lay out the entirety of Petitioner’s position, including all of Petitioner’s theories and evidence. *Henny Penny Corp. v. Frymaster LLC*, 938 F.3d 1324, 1330 (Fed. Cir. 2019). This requirement extends to a Petitioner’s theories as to why discretionary denial is not warranted, which likewise should be set forth in the Petition. In fact, the rules authorize a pre-institution reply only in circumstances where “good cause” exists, and a Petitioner lacks “good cause” to reply to arguments that the Petitioner should have anticipated would have been made by Patent Owner. 37 C.F.R. 42.108(c) (“A petitioner may seek leave to file a reply to the preliminary response in accordance with §§ 42.23 and 42.24(c). Any such request must make a showing of good cause”).

Moreover, even in cases where a Petitioner is granted an opportunity to file a pre-institution reply, the rules are clear that a Petitioner cannot pivot to a new theory in a reply, but instead “may only respond to arguments raised in the corresponding opposition.” 37 C.F.R. 42.23(b); see e.g., *Juniper Networks, Inc. v. Swarm Technology, LLC*, IPR2021-01445, Paper 62 (P.T.A.B. 2023) (refusing to consider new theory presented for first time in a reply and citing statement in Trial Practice Guide that a “Petitioner may not submit new evidence or arguments in reply that it could have presented earlier”) (*citing*, Patent Trial and Appeal Board Consolidated Practice Guide 73 (Nov. 2019)). “Respond” in the context of 37 C.F.R. § 42.23(b), does not mean proceed in a new direction with a new approach as compared to the

positions taken in a prior filing.” *Juniper Networks*, Paper 62, at 28. ”While replies and sur-replies can help crystallize issues for decision, a reply or sur-reply that raises a new issue or belatedly presents evidence may not be considered.” *Id.*

As noted above, the issue of overlap was completely within Petitioner’s knowledge and control and, as a result, when Petitioner filed this IPR, Petitioner had every reason to foresee the overlap that Petitioner would create between this IPR and the Parallel Litigation just days later. Nonetheless, Petitioner made the strategic decision to characterize the extent of overlap as “speculative” in the Petition. Pet., 82. If the Petitioner attempts in its reply to pivot from its “speculative” argument in the Petition to a *Sotera* stipulation, Petitioner would be improperly proceeding “in a new direction with a new approach as compared to the positions taken in a prior filing.” *Juniper Networks*, Paper 62, at 28. Accordingly, to the extent Petitioner belatedly submits a *Sotera* stipulation with its reply, the stipulation should be rejected as untimely and beyond the scope of a proper reply.

2. Any Lack Of Overlap Between The Claims Petitioner Is Challenging In The Parallel Litigation And Those Petition Is Challenging In This IPR Represents A Situation Of Petitioner’s Own Making

In the Parallel Litigation, the Petitioner filed a Counterclaim on June 20, 2024 challenging the validity of the ‘138 Patent as a whole, including all claims of the ‘138 Patent. Ex. 2001, at 82-83. Despite filing such a broad Counterclaim almost a

year ago, in its Final Invalidity Contentions served this week, Petitioner chose for its own reasons to limit its validity challenge in the Parallel Litigation to a subset of the claims of the '138 Patent. The fact that Petitioner chose for strategic reasons to limit the claims it will be challenging in the Parallel Litigation provides no justification for having an entirely separate proceeding in the PTAB to adjudicate claims that Petitioner voluntarily chose not to challenge in the Parallel Litigation. Simply put, to the extent there is no longer complete overlap between the claims challenged in the Parallel Litigation and in this IPR, the situation is of Petitioner's own making. The Board's discretionary denial standards should not be applied in a manner that rewards a Petitioner for this sort of gamesmanship.

For all of these reasons, the fourth factor weighs against institution.

E. Factor 5 Weighs Against Institution Because The Patent Owner Is The Same And The Petitioner Are The Same Parties As In The Parallel Litigation

Patent Owner and Petitioner are the same parties as in the Parallel Litigation.

Thus, the fifth factor weighs against institution.

F. Factor 6 Weighs Against Institution Because The Merits Of Petitioner's Challenge Is Weak

On the merits, the Petition is seriously flawed. As set forth more fully in the Patent Owner Preliminary Response, the Challenged Claims recite a process for selecting data from the radio bearers for transmission in which the selection process includes a "first iteration" and a "second iteration." The claimed "first iteration"

requires the selection of data “based on the received parameters” (*plural*), and the claimed “second iteration” requires the selection of data “based on buffered data for respective radio bearers” (again, *plural*). Each of the mappings advanced in the Petition for the claimed combination of the “first iteration” and “second iteration” is deficient at least because (i) the aspect of Bucknell relied on for the “first iteration” is based on only one received parameter rather than a plurality of received parameters as required by the claim language, and/or (ii) the aspect of Bucknell relied on for the “second iteration” is based on buffered data from only one data bearer rather than a plurality of respective data bearers as required by the claim language.

Moreover, the Petition extensively relies on an expert declaration that largely parrots *verbatim* the wording of the Petition. Ex. 1003. For example, the following paragraphs of the expert declaration essentially parrot the Petition word-for-word: Ex. 1003, ¶¶ 29-35, 40, 44-60, 63, 65, 67-110, 112-114, 116-131, 133-143, 145 and 147-190.³ The differences between the wording of these paragraphs from the declaration and that of the Petition are insubstantial. For example, in cases where the Petition provides a point citation to a given reference, the declaration includes a

³ The portions of the expert declaration that do not parrot the Petition include information such as the expert’s background, the materials he considered, and boilerplate describing application legal standards. (Ex. 1003, ¶¶ 1-18 (background of expert and materials considered) and ¶¶ 19, 22-28 (legal standards)).

quotation from the reference corresponding to the point citation. For these reasons, the declaration is entitled to little if any weight. *Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 9 at 15-17 (PTAB August 24, 2022) (designated precedential) (according “little weight” to declaration testimony that contains a verbatim restatement of a petition’s conclusory assertions without additional supporting evidence or reasoning). The Petition’s extensive reliance on expert testimony that is mostly a verbatim restatement of the Petition is a further factor that favors discretionary denial. *See also, Facebook v. Windy City Innovations, LLC*, 973 F.3d 1321, 1340-41 (Fed. Cir. 2020) (affirming the Board’s holding that a claim was not unpatentable when “the Board considered Facebook’s expert’s testimony but determined that it did not add materially to Petitioner’s unpersuasive attorney argument,” “because it merely repeated Petitioner’s argument, nearly verbatim, without citation to the basis for his testimony.”)

Thus, the sixth factor weighs against institution.

In summary, all of the *Fintiv* factors weigh against institution. Under §314(a) and, based on the totality of the *Fintiv* factors, institution should be denied.

III. ADDITIONAL FACTORS SET FORTH IN THE MEMORANDUM SUPPORT DISCRETIONARY DENIAL

In addition to the *Fintiv* factors, institution should be denied under 35 U.S.C. § 314(a) based on the Petition's improper and excessive reliance on expert testimony, as well as the settled expectations arising from the age of the '138 Patent. The Memorandum identifies "[t]he extent of the petition's reliance on expert testimony" and "[s]ettled expectations of the parties, such as the length of time the claims have been in force" as relevant discretionary considerations. Here, the Petition improperly relies on a voluminous 96-page expert declaration to fill substantive gaps in the prior art, rather than interpreting what is expressly disclosed. This misuse is especially problematic where, as here, the expert declaration largely mirrors the Petition and attempts to rewrite the prior art to meet the claim limitations. Furthermore, the '138 Patent has been in force since 2019 and is set to expire within the next 12 months, further reinforcing the settled expectations of the parties and supporting discretionary denial. These factors provide additional compelling grounds for the Director to exercise discretion and deny institution.

IV. CONCLUSION

Institution should be denied under 35 U.S.C. § 314(a) based on the totality of the circumstances. All six *Fintiv* factors weigh against institution, including the advanced stage of the Parallel Litigation, the scheduled trial date occurring before the projected Final Written Decision, the parties' substantial investment in the

litigation, and the complete overlap of parties, issues, and prior art between the district court and this IPR. These factors raise serious concerns about duplicative proceedings, inefficiency, and the risk of conflicting outcomes.

In addition to the *Fintiv* factors, the circumstances identified in the Memorandum—particularly the Petition’s improper use of expert testimony as a substitute for prior art, and the fact that the ‘138 Patent will expire in less than a year—further support discretionary denial under § 314(a).

Each of these issues independently supports discretionary denial. Considered together, they present a compelling case for the Director to exercise her discretion and deny institution of this untimely and inefficient Petition in accordance with §314(a).

Respectfully submitted,

Dated: May 26, 2025

By: /Daniel H. Golub/
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Registration No. 33,701

*Counsel for Patent Owner
Intellectual Ventures II LLC*

CERTIFICATE OF COMPLIANCE WITH WORD COUNT

Pursuant to 37 C.F.R. § 42.24(d), I certify that this **BRIEF IN SUPPORT OF PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL** complies with the type-volume limits set forth in the Memorandum and 37 C.F.R. § 42.24 because it contains 4,050 words, excluding the parts of the Brief that are exempted by 37 C.F.R. § 42.24(a), according to the word processing system used to prepare this Brief.

Respectfully submitted,

Dated: May 26, 2025

By: /Daniel H. Golub/
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*Counsel for Patent Owner
Intellectual Ventures II LLC*

CERTIFICATE OF SERVICE

The undersigned certifies that pursuant to 37 C.F.R. § 42.6(e), a copy of the foregoing **BRIEF IN SUPPORT OF PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL** was served via email (as consented to by counsel) on May 26, 2025 to lead and backup counsel of record for Petitioner as follows:

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