

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ZHUHAI COSMX BATTERY CO., LTD.,
Petitioner

v.

NINGDE AMPEREX TECHNOLOGY LTD.,
Patent Owner

IPR2025-00389
U.S. Patent No. 11,923,498

PATENT OWNER'S DISCRETIONARY DENIAL BRIEF

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2001	Second Amended Complaint, <i>Ningde Amperex Tech. Ltd. v. Zhuhai CosMX Battery Co.</i> , Case No. 2:24-cv-00728-JRG, ECF No. 23 (E.D. Tex. Jan. 28, 2025)
2002	Scheduling Order, <i>Ningde Amperex Tech. Ltd. v. Zhuhai CosMX Battery Co.</i> , Case No. 2:24-cv-00728-JRG, ECF No. 27 (E.D. Tex. Feb. 6, 2025)
2003	CosMX Invalidity Contentions Cover Pleading, <i>Ningde Amperex Tech. Ltd. v. Zhuhai CosMX Battery Co.</i> , Case No. 2:24-cv-00728-JRG (E.D. Tex. Jan. 7, 2025)
2004	Summons to attend oral proceedings in German Case No. 3 Ni 12/23 (EP) (“Germany Order 1”)
2005	Summons to attend oral proceedings in German Case No. 3 Ni 12/24 (EP) (“Germany Order 2”)
2006	Docket Navigator Statistics for Judge Rodney Gilstrap (accessed May 5, 2025)
2007	Docket, <i>Ningde Amperex Tech. Ltd. v. Zhuhai CosMX Battery Co.</i> , Case No. 2:22-cv-00232 (E.D. Tex.)
2008	Joint Motion for Entry of Protective Order, <i>Ningde Amperex Tech. Ltd. v. Zhuhai CosMX Battery Co.</i> , No. 2:24-cv-00728-JRG, ECF No. 30 (E.D. Tex. Feb. 11, 2025)
2009	Amended Final Judgment, <i>Ningde Amperex Tech. Ltd. v. Zhuhai CosMX Battery Co.</i> , Case No. 2:22-cv-00232, ECF No. 427 (E.D. Tex.)
2010	Article, <i>Lithium battery manufacturer ATL won injunction against its Chinese rival COSMX in German Court</i> , China IP Today (April 6, 2024)
2011	Reserved
2012	Reserved
2013	Darts IP Reports: CN109301326, CN104466097, CN206490141, CN108352492 (May 6, 2025)

I. INTRODUCTION

Ningde Amperex Technology Ltd. (“ATL” or “Patent Owner”) respectfully submits this brief requesting that the Board deny institution of the Petition for *inter partes* review (Paper 1 or “Pet.”) filed by Petitioner Zhuhai CosMX Battery Co., Ltd. (“Petitioner” or “CosMX”) pursuant to the Acting Director’s March 26, 2025 Memorandum titled “Interim Processes for PTAB Workload Management” (hereafter “Director Memo”).

The Petition seeks *inter partes* review (“IPR”) of claims 1-19 (the “Challenged Claims”) of U.S. Patent No. 11,923,498 (the “’498 Patent,” Ex. 1001). The ’498 Patent and five other patents are the subject of a patent infringement action that ATL has brought against CosMX that is currently pending in the Eastern District of Texas (Civil Action No. 2:24-cv-0728, the “Second Texas Litigation”). The Petition should be rejected and institution should be denied for numerous reasons.

First, the Second Texas Litigation involves six patents in a single unified district court proceeding. Ex. 2001 (Second Amended Complaint) at 1. However, Petitioner has filed (to date) seven different IPR petitions¹ on six patents over the

¹ See IPR2025-0405; IPR2025-00432; IPR2025-00385; IPR2025-00431; IPR2025-00389; IPR2025-00722; and IPR2025-00524.

span of three months in an attempt to avoid or delay a single streamlined district court trial, which would frustrate the intended efficiencies of the America Invent Act (“AIA”). In essence, Petitioners are attempting to convert (A) a single district court proceeding into (B) the same district court proceeding, *plus* six or seven separate IPR trials (involving invalidity determinations by potentially *up to nineteen* factfinders), a classic example of the type of waste and inefficiency (and potential for inconsistent results) that the Director’s new interim guidance suggests avoiding. A single Article III proceeding has the strong potential to be the fastest and most efficient resolution of the Parties’ many disputes, which favors denial of institution.

Second, as will be explained in detail in Patent Owner’s Preliminary Response, the technical merits of Petitioner’s arguments are weak. For example, all of the ’498 Patent claims require “the second insulating glue layer has a width larger than a width of the second recess, and the second insulating glue layer has a length larger than a length of the second recess.” Ex. 1001, claims 1, 9, and 17. But this claimed arrangement is not disclosed or rendered obvious by the prior art. In fact, across all Grounds, Petitioners rely wholly on disclosures in the background section of Takemura. Takemura, however, teaches away from the background art, thus teaching away from the background section that Petitioner alleges a POSITA would rely upon. Ultimately, Takemura teaches *away* from the proposed combination. Because each combination depends on Takemura’s disparaged Figures 8 and 9

(describing the background art over which Takemura improved), each of Petitioner's Grounds fail. Additionally, Petitioner misinterprets the Sato reference as including multiple recesses, when it actually discloses multiple different embodiments, each of which disclose only a single recess. Finally, even if Petitioner could combine the references as proposed, the resultant combinations would still fail to teach the recitations of the claims.

Third, the Petition should be denied under § 314(a) based on the *Fintiv* and other discretionary factors identified by the Acting Director because, in the district court case where the '498 Patent is at issue, (1) the parties are the same as in this IPR,² (2) a stay has not been requested and is unlikely to be granted if requested,³ (3) trial in the district court is scheduled to occur roughly two months *before* the statutory final written decision deadline in this IPR (and at least five months *before* the statutory final written decision deadline in IPRs on other patents at issue in the

² Ex. 2001 (Second Amended Complaint).

³ See e.g., *Force MOS Tech. Co., Ltd. v. ASUSTeK Computer, Inc.*, Case No. 2:22-cv-000460, ECF No. 74, (E.D. Tex. April 10, 2024) (stating it “has a consistent practice of denying motions to stay when the PTAB has yet to institute post-grant proceedings” as to all patents at issue).

same case, which makes the district court even less likely to grant a stay),⁴ and (4) the same prior art that is asserted in the Petition is asserted by Petitioner at the district court, including in combination with unpublished system prior art.⁵

While Petitioner claims to have executed a *Sotera* stipulation, the effect of this stipulation is significantly reduced (if not eliminated completely) because Petitioner asserts obviousness combinations of unpublished system prior art in the district court proceeding together with almost all of the prior art references relied on in its Petition. *See* Ex. 2003 (Invalidity Contentions Cover Pleading) at 19-22. As a result, Petitioner has retained for themselves the option to try essentially the same invalidity arguments in multiple fora, in contrast to the efficiency sought by the creation of *inter partes* review in the AIA. FAQs at Q.14 (“ . . . The Director will take into account whether the stipulation materially reduces overlap between the proceedings. Where the petitioner is relying on corresponding system art in a co-pending proceeding and/or several other invalidity theories, a stipulation may not be particularly meaningful because the efficiency gained by any AIA proceeding will

⁴ Ex. 2002 (Second Texas Litigation Scheduling Order).

⁵ Ex. 2003 (Invalidity Contentions Cover Pleading) at 19-22 (combining unpublished system prior art CA3952A4 with, *e.g.*, Takemura, Sato, Oh-539, Oh-144, Nakamura, and Fujikawa).

be limited.”). As the Acting Director recognized in a recent Order Granting Director Review, such stipulations do not ensure that these IPR proceedings would be a “true alternative” to the district court proceeding where unpublished system prior art is asserted in combination with the art used in the IPR’s grounds. *Motorola Sol’ns, Inc. v. Stellar LLC*, IPR No. 2024-01205, Paper 19 (Order Granting Director Review, Vacating the Decision Granting Institution, and Denying Institution of *Inter Partes* Review) at 3-4 (PTAB March 28, 2025) (Stewart, Dir.) (finding that a *Sotera* stipulation was unlikely to moot petitioner’s combination of IPR art with unpublished system prior art in district court proceedings, and therefore could not outweigh other factors favoring denial).

Fourth, the desire for administrative efficiency and not risking inconsistent results favors denial. The underlying district court lawsuit at issue here follows an earlier district court lawsuit (Civil Action No. 2:22-cv-00232, the “First Texas Litigation”) in which CosMX was already adjudicated to be a willful infringer of three other ATL patents and was ordered to pay ongoing royalties on CosMX products for the one patent that was not found invalid. Ex. 2007 (First Texas Litigation Docket); Ex. 2009 (Amended Final Judgment in First Texas Litigation). The First Texas Litigation involved a parent application to one of the patents pending in the current district court litigation, and thus similar invalidity and infringement issues were already presented in the first litigation. For example, documents about

the same types of products were produced and depositions of multiple individuals were already taken in that proceeding. Ex. 2007 (First Texas Litigation Docket).

Fifth, the parties have invested significant effort, resources, and discovery not only in the prior and current U.S. proceedings but in other patent proceedings around the world, including patent infringement and validity proceedings in both Germany and China. CosMX has been found to be an infringer of ATL patents in the U.S., Germany, and China and has been ordered to pay a running royalty rate for sales of CosMX products on a different U.S. patent already while its products are already the subject of injunctions in Germany and China. *See, e.g.*, Ex. 2007 (First Texas Litigation Docket), Ex. 2009 (Amended Final Judgment in First Texas Litigation), Ex. 2004 (Germany Order 1), Ex. 2005 (Germany Order 2), Ex. 2010 (Press Release), Ex. 2013 (Darts IP Reports). The resolution of this single IPR proceeding and the six co-pending IPR petitions related to the same district court case is therefore unlikely to effect a final resolution of the parties' worldwide dispute, but would require **significant** investment of resources by the PTAB to reach final written decisions in all seven IPR proceedings. Further, even if trial were instituted but ultimately the patent claims were found valid, this significant investment of effort would likely be duplicated in the district court because CosMX asserts invalidity theories including various system prior art references in the district court, meaning the district court would need to conduct an invalidity analysis for the claims

regardless of the outcome of this IPR or the other six co-pending IPRs. Ex. 2003 (Invalidity Contentions Cover Pleading). Efficient stewardship of the PTAB's limited resources requires allowing the U.S. district court to decide CosMX's myriad validity challenges in a single streamlined district court proceeding, instead of holding seven separate PTAB proceedings *plus* a district court proceeding.

Sixth, Petitioner has filed a lengthy expert declaration purporting to address every single limitation of the asserted claims and every ground, rather than limiting expert testimony to a few key limitations where it is required. *See, e.g.*, Ex. 1003 ¶¶ 76-135 (providing detailed expert testimony for every limitation of claim 1). Indeed, significant portions of the expert declaration includes unsupported testimony that is used to fill significant gaps in the references themselves. Indeed, Petitioner relies on expert testimony *alone* as evidence for the limitation “the second insulating glue layer has a width larger than a width of the second recess, and the second insulating glue layer has a length larger than a length of the second recess.” Patent Owner intends to file an expert declaration with its Preliminary Response that will rebut this (and other) evidence. As such, there will be numerous complex issues disputed by the experts, and an Article III court is a more appropriate forum for resolving those disputes. FAQs at Q.21 (“While the Board may consider expert testimony, as a matter of efficiency, extensive reliance on expert testimony and/or

reasonable disputes between experts on dispositive issues may suggest that the questions are better resolved in an Article III court.”)

Seventh, the number of proposed Grounds (eight) weighs in favor of denial.

Eighth, one of the co-pending petitions (the Petition for the ’910 Patent) fails to even attempt to set forth a prima facie ground for claim element 20.7 of independent claim 20 of the ’910 Patent. *See* IPR2025-00405 (upcoming POPR). Therefore, even if every argument in this Petition and every other co-pending Petition were successful, trial would still need to proceed in the district court regarding the infringement and validity of claims 20-26 of the ’910 Patent.

Ninth, Petitioner’s Petition directed to another patent at issued in the Second Texas Litigation, IPR2025-00405, fails to even attempt to set forth a prima facie ground for asserted claim 20 of U.S. Patent No. 11,769,910, as will be set out in Patent Owner’s Discretionary Denial brief and Preliminary Responses to be filed in that proceeding. Because trial cannot be avoided even with Petitioner’s numerous IPR petitions even if they were all successful (which is unlikely), institution should be denied in the interest of efficiency. So long as at least one patent in the Second Texas Litigation is not subject to an instituted IPR Petition, the Second Texas Litigation will not be stayed under longstanding precedent of the Eastern District of Texas.

Lastly, and perhaps most important to the efficient distribution of PTAB resources, the underlying district court trial is likely to proceed regardless of whether the Board institutes review in this IPR proceedings because (to date) seven IPR petitions have been filed against the six different patents at issue in that district court proceeding, which were spaced out over the course of several months, resulting in final written decision deadlines that are likely to be five or more months after the scheduled jury trial in that case. *See, e.g.*, IPR2025-00405, Paper 1 (filed Jan. 3, 2025); IPR2025-00524, Paper 1 (filed Apr. 2, 2025); Ex. 2002 (Second Texas Litigation Scheduling Order). Further, this is after the denial of institution for three IPR petitions previously filed by Petitioner against ATL patents at issue in the First Texas Litigation. IPR Nos. 2023-00586; 2023-00587; 2023-00585. The significant amount of effort and resources required by the Board to address seven IPR petitions, where the district court is highly likely to proceed to trial anyway (at least because Petitioner has failed to even make a prima facie case as to claim 20 of the '910 Patent challenged in IPR2025-00405), counsels against further wasting the Board's resources for these numerous IPR petitions that will be resolved in a single trial before the Final Written Decisions by the Board.

As such, the Board should exercise its discretion to deny institution because Petitioner has not met its burden of demonstrating that it is more likely than not that any claim of the '498 Patent is unpatentable and because denial is warranted in the

interests of efficiency and fairness. If CosMX has invalidity defenses to raise against the '498 Patent or against the five other patents at issue in the district court proceeding, including defenses it intends to raise combining the asserted prior art references together with unpublished system prior art, it may raise those all together in a single consolidated district proceeding where they may all be considered in view of all the evidence. This is the most efficient outcome and achieves the AIA's intended efficiency goals better than multiple serial IPR proceedings that trail the underlying district court proceeding and only add additional uncertainty and risk of inconsistent positions to the process.

II. BACKGROUND

A. Technology Overview

Batteries are made of positive electrodes and negative electrodes, each with a positive and negative film, respectively. It is desirable for lithium-ion batteries to have "as much energy as possible in a volume as small as possible." Ex. 1001, 1:32-35. To reduce the thickness of the battery, some prior art solutions form recesses in the positive and negative films. *Id.* at 1:52-54. But recesses can cause a number of problems, including safety issues, high internal resistance, decreased capacity, and proneness to lithium precipitation which causes short circuiting. *Id.* at 1:58-2:3.

B. The '498 Patent Claims an Arrangement of Insulating Glue Layers and Recesses

The '498 Patent solves problems of the prior art with a particular arrangement of recesses and insulating glue to provide a battery that has high energy density but avoids some of the problems caused by recesses. Ex. 1001, 2:10-12. Specifically, the '498 Patent claims a lithium-ion battery with a “positive electrode,” a “negative electrode, a “first recess accommodating a positive lead,” and a “second recess accommodating a negative lead.” Ex. 1001, cl. 1, 9, 17. The '498 Patent claims a “first insulating glue layer” that is on “a top surface of the positive lead.” *Id.* The claims cover the relative location of “second insulating glue layer” to and the second recess, specifying the “second insulating glue layer” is located on “a surface of the positive electrode active material layer opposite to the second recess across the separator in a thickness direction of the positive plate and the negative plate.” *Id.* The claims further recite that relative size of the second insulating glue later and the second recess, claiming “the second insulating glue layer has a width larger than a width of the second recess, and the second insulating glue layer has a length larger than a length of the second recess.” *Id.*

The specification explains that “[c]ompared with the prior art, due to the arrangement of the first insulating glue layer formed on the upper and lower surfaces of the positive lead and the second insulating glue layer pasted on the surface of the

positive film corresponding to the second recess, occurrence of internal short circuit and lithium precipitation in the lithium-ion battery is remarkably reduced, and safety performance of the lithium-ion battery is improved remarkably in the premise of desirable energy density.” Ex. 1001, 3:57-65.

III. LEGAL STANDARDS

The Petition must establish, with particularity, the grounds and evidence that support invalidating the patented claims. 35 U.S.C. §312(a)(3). Petitioner “must ‘specify where each element of the claim is found in the [relied upon] prior art patents.’” *In-Depth Geophysical, Inc. v. ConocoPhillips Co.*, IPR2019-00850, Paper 56, *27 (Sept. 3, 2020) (quoting 37 C.F.R. § 42.104(b)(4)). And, as is the case here, Petitioner must demonstrate that the prior art (e.g. Sato) “discloses[] within the four corners of the document . . . all of the limitations claimed,” and that disclosure must be “arranged or combined in the same way as recited in the claim.” *Net MoneyIN, Inc. v. VeriSign, Inc.*, 545 F.3d 1359, 1371 (Fed. Cir. 2008). Petitioner cannot satisfy this burden by reliance on unsupported and unscientific assumptions, an unreliable method, and baseless inferences that attempt to cover the glaring shortcoming of the prior art.

In addition, the Board makes its determination regarding institution based on what the Petition *actually presents* and not what it could have reasonably contained had it been drafted differently. *In re Magnum Oil Tools Int’l, Ltd.*, 829 F.3d 1364,

1381 (Fed. Cir. 2016) (holding that the Board is *not* “free to adopt arguments on behalf of petitioners that could have been, but were not, raised by the petitioner during [a post-grant proceeding]”). The Board cannot “deviate from the grounds in the petition and raise its own” theories of invalidity. *Sirona Dental Sys. GmbH v. Institut Straumann AG*, 892 F.3d 1349, 1356 (Fed. Cir. 2018).

In addition to the underlying failures of the Petition, the Board should deny institution under *Apple v. Fintiv, Inc.*, No. IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”) and other discretionary factors committed to the Board’s discretion under § 314(b), including the factors identified by the Acting Director in the March 26 Memorandum and the Board’s latest guidance responding to FAQs for Interim Processes for PTAB Workload Management at <https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management>.

The *Fintiv* factors include:

1. Whether the court has granted a **stay** or evidence exists that one may be granted if an IPR is instituted.
2. The **proximity of the court’s trial date** to the PTAB's projected statutory deadline for a final written decision.
3. The **investment** in the parallel proceeding by the court and the parties.
4. The **overlap** between issues raised in the petition and those in the parallel proceeding.

5. Whether the petitioner and the defendant in the parallel proceeding are the **same party**.

6. **Other circumstances** that impact the PTAB's exercise of discretion, **including the merits** of the petition

Fintiv at 6. The Board takes a “holistic view” of whether efficiency and integrity of the system are best served by denying or instituting review. *Id.*

Furthermore, the Director Memo identified a non-exhaustive number of additional factors that may be considered by the Board when evaluating how to apply the Board's discretion under § 314(b) (hereafter, the “Memo Factors”) including (but not limited to):

1. Whether the PTAB or another forum has **already adjudicated** the validity or patentability of the challenged patent claims;
2. Whether there have been **changes in the law** or new judicial precedent issued since issuance of the claims that may affect patentability;
3. The **strength** of the unpatentability challenge (related to *Fintiv* Factor 6, above);
4. The extent of the petition's **reliance on expert testimony**;
5. **Settled expectations** of the parties, such as the length of time the claims have been in force;
6. **Compelling** economic, public health, or national security **interests**; and

7. Any **other considerations** bearing on the Director's discretion.

Director Memo at 2-3. The Board's FAQs further indicate that "[t]he Process Memorandum includes a *non-exhaustive* list of issues that may be raised in discretionary briefing. Parties are encouraged to address *any* fact or circumstance they believe bears on the Director's discretion to institute, including reasons not discussed in current Board precedent or in the Process Memorandum." FAQs at Q.11 (emphasis added).

IV. THE BOARD SHOULD NOT INSTITUTE INTER PARTES REVIEW UNDER § 314(A) BASED ON THE *FINTIV* AND OTHER DISCRETIONARY FACTORS

A. *Fintiv* Factor 1: The District Court Has Already Stated It Will Not Issue a Stay In Similar Circumstances, Which Favors Denial

Fintiv Factor 1 favors denial of institution. In the Eastern District of Texas where Patent Owner is asserting the '498 Patent against Petitioner, a stay pending institution of this IPR (or the *six other* co-pending IPR petitions) has not been requested, and even if it were requested, the evidence shows that it is unlikely to be granted. Petitioner presents no evidence in its Petition that it has requested a stay or that a stay is likely. When Petitioner presents no evidence that a stay is likely in parallel proceedings, the Board has found Fintiv Factor 1 to favor discretionary denial. *See Luxshare Precision Industry v. Amphenol Corp.*, IPR2022-00132, Paper 10 at 9 (PTAB May 3, 2022).

While six patents have been asserted in the underlying district court case, CosMX only filed its latest IPR petition on the final one of the six patents on April 2, 2025, and that Petition was accorded a filing date of May 5, 2025. *See* IPR2025-00524, Papers 1, 6. At the earliest, the institution decision deadline in that latest IPR petition would be November 5, 2025—which is after the parties will have already provided the Court with a joint claim construction statement and will be in the middle of claim construction discovery, and will be just six weeks from the deadline to substantially complete document production. 2002 (Second Texas Litigation Scheduling Order). The Court in the Eastern District of Texas is on record that it “has a consistent practice of denying motions to stay when the PTAB has yet to institute post-grant proceedings” as to all patents at issue. *Force MOS Tech. Co., Ltd. v. ASUSTeK Computer, Inc.*, Case No. 2:22-cv-000460, ECF No. 74, (E.D. Tex. April 10, 2024) (citations omitted). The district court will, therefore, not stay the underlying action while no institution decision has been entered in that last (or any other pending) IPR proceeding. Furthermore, CosMX would need to prevail on institution of at least six independent IPR petitions for there to be any chance of a stay in the district court proceeding—an unlikely outcome, particularly where CosMX failed to achieve institution on any of the three IPR petitions it filed against patents at issue in the First Texas Litigation. *See* IPR Nos. 2023-00586; 2023-00587;

2023-00585.⁶ Furthermore, because CosMX has failed to attempt to set forth a prima facie case of invalidity as to independent claim 20 of the '910 Patent⁷ (as will be set out in Patent Owner's briefing in IPR2025-00405), at least one claim from these six patents will necessarily have to proceed to a jury trial even if CosMX were successful on every argument it has raised in its seven Petitions. The certainty of an eventual district court trial on at least one patent claim weighs against the likelihood of a stay ever entering in the underlying district court proceeding and therefore strongly favors denial. *See, e.g., MyPort, Inc. v. Samsung Electronics Co., Ltd.*, Case No. 2:22-cv-00114, ECF No. 73 (June 13, 2023) (denying request for stay when final written decision in pending IPRs were scheduled to issue two months after trial, even though the Court had not yet held a Markman hearing, in view of the parties'

⁶ Furthermore, with all else being equal, the likelihood of discretionary denial increases with each later-filed IPR petition, and if any one of the IPR petitions directed to the six patents in the Second Texas Litigation is denied institution, the factors for discretionary denial weigh even further in favor of denial for each subsequent IPR petition.

⁷ *See* IPR2025-00405, Paper 3; and see also the upcoming discretionary denial briefing and Patent Owner's Preliminary Response in that IPR.

substantial investment in the case and the plaintiff's interest in timely vindication of its patent rights).

B. *Fintiv* Factor 2: Any Final Written Decision Will Occur After the District Court's Scheduled Jury Trial Date, and Decisions in Other IPRs Would Occur Even Later

Fintiv Factor 2 weighs heavily against institution because a trial date is already scheduled to occur in the district court on July 6, 2026, ten weeks before the September 14, 2026, statutory deadline for the Board to issue a final written decision in this IPR (assuming that the Board issues an institution decision on September 12, 2025, three months after Patent Owner's Preliminary Response). Ex. 2002 (Second Texas Litigation Scheduling Order).. The median time to jury trial in patent cases filed before Judge Gilstrap after January 1, 2020 (which includes a number of cases that were delayed as a result of the Covid-19 epidemic, and is therefore a conservative estimate) is just 21.1 months after the filing of the original district court complaint. Ex. 2006 (Docket Navigator Statistics). Applying that median time to trial to the complaint in the underlying district court case here would result in an expected trial date in early June of 2026, indicating that the currently scheduled district court trial date of July 6, 2026 is both conservative and achievable.

Thus, when considering either the scheduled jury trial date or the district court's median time-to-trial statistics, the seven petitions filed against the six patents asserted in the district court case will not each have final written decisions until at

least November 2026 (assuming they are all instituted), five months after the scheduled jury trial in the district court action and six months after the median time-to-trial in cases filed after January 1, 2020. Pet. at 72.

The Board has denied institution in view of smaller gaps between the final written decisions and trial. *See, e.g., EClinicalWorks, LLC v. Decapolis LLC*, IPR2022-00229, Paper No. 10 at 9 (PTAB Apr. 13, 2022) (finding this factor weighed in favor of discretionary denial and denying institution where “the beginning of the jury trial in the WDTX Cases is roughly one or two months before any final decision would have been due had *inter partes* review been instituted”); *see also, e.g., Resmed Corp. v. Cleveland Med. Devices Inc.*, IPR2023-00565, Paper 13 at 11 (PTAB September 25, 2023) (finding that a court’s trial date scheduled one month prior to the deadline for a final written decisions weighed in favor of denial, and that the Board “take[s] courts’ trial schedules at face value absent sufficient evidence to the contrary”).

Accordingly, this factor weighs heavily against institution.

C. *Fintiv* Factor 3: The Parties Have Already Invested Significant Effort and Resources in Parallel District Court Proceedings, Including Related Proceedings in the U.S. and Worldwide on Related Patents and Related Accused Products

***Fintiv* Factor 3** weighs heavily against institution. The Second Texas Litigation is only the latest investment of effort and resources by the Parties in a long

and continuing series of worldwide litigation involving family members to the '910 Patent, as well as many other patents. *See e.g.*, Ex. 2007 (First Texas Litigation Docket), Ex. 2004 (Germany Order 1), Ex. 2005 (Germany Order 2), Ex. 2010 (Press Release), Ex. 2013 (Darts IP Reports). This extensive investment of global resources differs significantly from the more common “one-off” U.S. district court litigation posture and weighs heavily against institution of this IPR. The chance that this single IPR proceeding on a single patent is likely to resolve the parties’ global patent dispute is low, and therefore weighs strongly against institution.

As a result of the First Texas Litigation, the collection of documents and depositions regarding the composition of many CosMX’s accused products was already substantially completed, and so the Parties begin with a *significant* head start on collecting and producing relevant discovery in the Second Texas Litigation. Ex. 2008 (Joint Motion for Entry of Protective Order) at 3 (CosMX arguing that “given the related patents and overlap in technical subject matter and accused products, a substantial amount of the discovery that will need to be conducted in this

case was likely already conducted in the 232 Action.”).⁸ Much of the discovery relevant to the ’352 Patent in the First Texas Litigation will also be relevant to the ’498 Patent in the Second Texas Litigation. In the First Texas Litigation (addressing similar accused products and similar technologies, as well as many of the same prior art references asserted in this proceeding), the parties and the Court previously invested substantial efforts and resources, including:

- Completing all fact witness and expert witness depositions (33 fact witness depositions and 13 expert witness depositions);
- Completing the collection and production of documents regarding the same types of CosMX battery products accused of infringement in the second case;
- Conducting a Markman hearing on August 15, 2023, with an order construing patent claims entered on October 18, 2023;
- Completing expert reports and expert discovery;

⁸ While the Court denied CosMX’s request to not have to re-produce the evidence from the First Texas Litigation, CosMX itself admits that much of the relevant information has already been collected for the First Texas Litigation and simply needs to be reproduced. Ex. 2008 (Joint Motion for Entry of Protective Order) at 3.

- A hearing on various discovery issues and a motion to correct inventorship on October 13, 2023;
- A pretrial conference on January 17, 2024 addressing multiple issues;
- Completing a jury trial in February 2024; and
- Holding a hearing on August 23, 2024 granting ATL's motion for an ongoing royalty.

Ex. 2007 (First Texas Litigation Docket). The extensive investment of party resources in the First Texas Litigation (which involved similar accused products and technology) should also be considered as investments in this follow-on lawsuit, and therefore strongly favors denial of this Petition.

As to the Second Texas Litigation, by the institution deadline in this IPR, discovery in the district court action will have advanced significantly. Ex. 2002 (Second Texas Litigation Scheduling Order). Patent Owner served its preliminary infringement contentions and discovery materials related to conception and reduction to practice in accordance with Eastern District of Texas Local Patent Rules on January 7, 2025. Also, by local rule, CosMX served its preliminary invalidity contentions and initial production of technical documents on March 12, 2025.

The parties will have made extensive document productions before the institution deadline in this IPR. To date, Patent Owner has already produced tens of

thousands of documents and will continue to make ongoing supplemental productions regarding its hundreds of patent-practicing products. CosMX has likewise committed to producing technical documents for the hundreds of accused products implicated by Patent Owner's infringement contentions. Further, Patent Owner has served third-party subpoenas on twelve of CosMX's customers seeking documents and testimony related to the sales of downstream products incorporating CosMX's accused batteries. The return dates on all third-party subpoenas pre-date the institution deadline in this IPR. In addition, the parties will have invested resources in the *Markman* process by, which commences prior to the institution deadline in this IPR, as the parties must exchange claim terms for construction by September 9, 2025. *Id.*

In addition to the U.S. district court litigations, one of the other asserted patents has many related counterparts across the world that have been litigated in Germany and China (as set out in further detail in the briefing in IPR Nos. 2025-00405 and IPR2025-00431). *See, e.g.,* Ex. 2004 (German Order 1); Ex. 2005 (German Order 2); Ex. 2010 (News article regarding German injunction and Chinese validity proceeding). The extensive investment of party resources in foreign proceedings is just further evidence that deciding this one IPR petition on the merits will not solve the global patent dispute between ATL and CosMX.

D. *Fintiv* Factor 4: The Overlap Between the Asserted Art and Petitioner’s Invalidity Arguments in the District Court is Significant, and Petitioner’s *Sotera* Stipulation Is Ineffective Because of Its System Art Combinations With The Prior Art in this Petition

Fintiv Factor 4 also weighs against institution because Petitioner asserts every prior art reference relied on in a ground in this Petition (including Sato, Takemura, Nakamura, Oh-539, Oh-144, and Kobayashi, the six asserted references in this IPR) in its Invalidity Contentions at the Second Texas Litigation Ex. 2003 (CosMX invalidity contentions cover pleading). Furthermore, Petitioner’s Invalidity Contentions in the Eastern District of Texas each raise obviousness grounds combining unpublished system art (which it cannot raise in this IPR proceeding) with each of Sato, Takemura, Nakamura, Oh-539, Oh-144, and Kobayashi (each of which is raised in the instant Petition), relying on essentially the same disclosures of each reference as they do in the Instant Petition. *Id.*

498-02	CA3952A4, Komatsu, Nakamura
498-03	CA3952A4, Komatsu, Oh-144
498-04	CA3952A4, Komatsu, Sato
498-05	CA3952A4, Sato, Fujikawa
498-06	CA3952A4, Sato, Oh-539
498-07	CA3952A4, Sato, Nakamura
498-08	CA3952A4, Sato, Oh-144
498-09	CA3952A4, Takemura, Fujikawa
498-10	CA3952A4, Takemura, Nakamura
498-11	CA3952A4, Takemura, Oh-144

Id. (raising, as invalidity grounds 498-02 through 498-11, obviousness combinations of Sato, Takemura, Nakamura, Oh-539, and Oh-144 with unpublished system prior art reference CA3952A4). Accordingly, even with the limited *Sotera* stipulation proffered by Petitioner, CosMX would still claim to retain the ability to discuss at the jury trial every single one of the prior art references discussed in this Petition *in combination* with system prior art that they have identified.

As the Acting Director recognized in a recent Order Granting Director Review, such stipulations do not ensure that these IPR proceedings would be a “true alternative” to the district court proceeding where unpublished system prior art is asserted in combination with the art used in the IPR’s grounds. *Motorola Sol’ns, Inc. v. Stellar LLC*, IPR No. 2024-01205, Paper 19 (Order Granting Director Review, Vacating the Decision Granting Institution, and Denying Institution of *Inter Partes* Review) at 3-4 (PTAB March 28, 2025) (Stewart, A.D.) (finding that a *Sotera* stipulation was unlikely to moot petitioner’s combination of IPR art with unpublished system prior art in district court proceedings, and therefore could not outweigh other factors favoring denial); *see also* FAQs at Q.14 (“... The Director will take into account whether the stipulation materially reduces overlap between the proceedings. Where the petitioner is relying on corresponding system art in a co-pending proceeding and/or several other invalidity theories, a stipulation may not be particularly meaningful because the efficiency gained by any AIA proceeding will

be limited.”). This is corroborated by a recent Federal Circuit ruling confirming that unpublished system prior art grounds are not subject to IPR estoppel even if that system art is to be proved up with patents or printed publications. *Ingenico Inc. v. IOEngine, LLC*, Case No. 2023-1367, ECF No. 58 (Fed. Cir. May 7, 2025) (precedential) (“ . . . IPR estoppel does not preclude a petitioner from relying on the same patents and printed publications as evidence in asserting a ground that could not be raised during the IPR, such as that the claimed invention was known or used by others, on sale, or in public use.”).

Because there is substantial overlap between the art raised in these proceedings and asserted in the underlying district court proceedings, and because inefficiencies created by multiple validity proceedings is not materially diminished by Petitioner’s *Sotera* stipulation in view of Petitioner’s combination of the prior art used in this Petition with unpublished system art in the district court proceeding (which essentially could allow Petitioner to present similar arguments about the art in these Grounds *twice*), this factor heavily favors denial.

E. *Fintiv* Factor 5: The Identity of the Parties Weighs Against Institution

Fintiv Factor 5 also weighs against institution because the Petitioner is the accused infringer and defendant, while Patent Owner is the plaintiff, in the underlying Second Texas Litigation. Ex. 2001 (Second Amended Complaint).

F. *Fintiv* Factor 6 and Memo Factor 3: The Merits of the Petition Are Weak

Fintiv Factor 6 and **Memo Factor 3** weigh against institution because the merits of the Petition are weak. While the merits will be more fully addressed in Patent Owner’s Preliminary Response (which is incorporated herein by reference pursuant to FAQ Q.25), a few examples are provided below to illustrate the weakness of Petitioner’s arguments. These examples are not meant to be exhaustive but simply illustrative.

The Petition sets forth three grounds (out of eight) that relate to independent claims, Claims 1, 9 and 17: (1) obviousness over Sato in view of Takemura (Ground 1), (2) obviousness over Sato in view of Takemura and Kobayashi (Ground 4), and (3) obviousness over Takemura in view of Oh-539 and Kobayashi (Ground 7). Each ground is fundamentally flawed.

First, for every asserted Ground, Petitioner’s case relies on a reference, Takemura, that it itself disparages the use of tape and, thus, undercuts the proposed combination. *See Galderma Labs., L.P. v. Tolman, Inc.*, 737 F.3d 731, 738 (Fed. Cir. 2013) (the prior art teaches away “when a person of ordinary skill, upon reading the reference, would be discouraged from following the path set out in the reference, or would be led in a direction divergent from the path that was taken” in the claim). Worse still, Petitioner and its expert rely on the very tape that Takemura disparages

the use of when it asserts that “Takemura does not illustrate that the insulating tape has a length larger than the length of the exposed metal on the negative electrode current collector, a *POSA would have done so* (or at least found it obvious) to minimize exposing the negative electrode metal to lithium ions released from the positive active material.” Pet. at 38. Petitioner’s reliance on Takemura and, the unsupported allegations of obviousness based on it, must be discarded.

Specifically, Petitioner relies on tape from Takemura’s Figures 8 and 9 (demonstrating background art over which Takemura invented) to allegedly teach the claimed “second insulating glue layer has a width larger than a width of the second recess, and the second insulating glue layer has a length larger than a length of the second recess.” Pet. at 35-37, 65-66, 98-100. But Takemura describes this tape in the background and then explicitly teaches *not* to use it for a variety of reasons. Ex. 1006 ¶¶ [0002]–[0004], [0035]. In fact, Takemura uses the electrode structure of Figures 8 and 9 in *disfavored* comparative example 1 against which it shows the benefits of its own invention. Ex. 1006 ¶¶ [0035] (Fig. 8 depicts an enlarged portion comparative example 1), [0031] (Fig. 9 depicts comparative example 1); *see also* Tables 1 and 2 (demonstrating that comparative example 1 has a reduced discharge capacity).

After highlighting problems with the tape, Takemura provides a solution that solves the problems *caused specifically by the location and size of insulating tape*

7 as illustrated in Figures 8 and 9. *Id.* ¶¶ [0004], [0035]. Takemura explains that “[f]or the lithium-ion secondary battery shown in Fig. 9, there has been [a] demand for improvements. . . . ***especially in order to make batteries smaller and thinner.***” *Id.* ¶ [0004]. Takemura describes that “[e]qually important” is to provide batteries with “higher energy densities.” *Id.* In the “Technical Problem” section, Takemura explains why the battery design of FIGS 8 and 9 and insulating tape 7 ***are inadequate and prevent batteries from becoming smaller.*** *Id.* ¶ [0010]. Indeed, Takemura explicitly teaches that “the presence of extra active material and ***masking tape*** in [the] positions [of FIGS. 8 and 9] leads to a decrease in energy density, an increase in the overall thickness of the battery.” *Id.* ¶ [0010] *see also id.* ¶ [0035] (explaining that ***extra space*** readily occurs . . . due to the thickness of current collector terminals 1, 2 ***and the insulating tape 7.***”). That is, Takemura would inform a POSITA that the location and size of the tape specifically relied on by Petitioner leads to a decrease in energy density and an increase in the overall thickness, two points that

Petitioner and its expert ignore throughout its analysis, especially when its expert reaches the conclusion that *more* tape should be added.⁹

In the “Solution to Problem” section, Takemura specifically describes the issues of increased thickness and lack of energy density of Figures 8 and 9 and provides its improved solution—*removing* the tape, not *expanding* it. *Id.* ¶ [0035]. To “reduce excess thickness,” Takemura teaches *eliminating* the active material and insulating tape. *Id.* (teaching in Figures 8 and 9 that “extra space readily occurs in the innermost portion due to the thickness of current collector terminals 1, 2 and the insulating tape 7” but that “in FIG. 7, extra space is less likely to exist”).

By using uncoated layers and *removing* the tape of Figures 8 and 9 (upon which Petitioner relies for every combination), Takemura teaches several advantages were achieved:

- “a higher discharge capacity was obtained,”
- “volumetric energy density was improved”

⁹ Takemura’s solution is to *minimize* or *eliminate* the use of tape, not increase its coverage. Ex. 1006 ¶ [0035]. Instead of using tape to prevent lithium deposition, Takemura teaches removing the active layer, thereby avoiding the “extra space” caused by the tape. Ex. 1006 ¶¶ [0035] (teaching removing tape to eliminate “extra space”), [0019] (teaching the uncoated portion “prevents lithium metal deposition”)

- “improve[d] cycle characteristics” were obtained
- “suppresse[d] battery degradation with respect to repeated use” was achieved, and
- an “extend[ed] battery life” was obtained

Id. ¶¶ [0035]-[0036]. In view of the advantages disclosed and further in view of the clear disparagement of Figures 8 and 9 (and the related disclosure), Takemura *teaches away* from using the tape of Figures 8 and 9 (which show background art over which Takemura has improved) and, thus, Petitioners fail to demonstrate that a POSITA would combine Takemura’s tape with the other references as they have now proposed and, further, that a POSITA would have modified “the insulating tape [to have] a length larger than the length of the exposed metal on the negative electrode current collector.” *Id.*

Second, Grounds 1 and 4 fail for the additional reason that the primary reference, Sato, does not disclose a battery with both a “first recess” and a “second recess” as claimed. Petitioner relies on Sato to disclose a positive lead within a recess, and maps that recess to the claimed “first recess.” Pet. at 26-27. Similarly, Petitioner relies on Sato to disclose a negative lead with a recess, and maps that to the claimed “second recess.” Pet. at 29-30. But Sato *never discloses an embodiment with two recesses*. Instead, Sato only discloses separate embodiments (e.g., batteries

1-11), each having a single recess. Ex. 1005 ¶¶ [0104], [0111], [0136]–[0137], [0148].

Sato’s eleven embodiments fall into one of two categories of battery configurations. In the first, describing Batteries 1 through 7 (*id.* ¶ [0101]),¹⁰ Sato discloses an electrode where the **positive** lead is in a recess within the middle of the positive electrode and the negative lead is instead at the end of the negative electrode. *Id.* ¶¶ [0104], [0111] (describing negative lead on exposed “**outermost portion**”). In Batteries 8 through 11, the **negative** lead is in a recess in the middle of the negative electrode (*id.* ¶¶ [107], [0136]–[0137]), while positive lead is at the end of the positive electrode. *Id.* ¶ [0137] (describing the exposed portion where the positive lead was located as the “**at the innermost portion.**”). This lead location applies to Battery 9, Battery 10, and Battery 11. *Id.* ¶¶ [0139], [0141], [0143]. Petitioner, however, fails to explain whether, how, or why a POSITA would combine the multiple alternative embodiments of Sato—each of which has only a single recess. Pet. at 26-27, 29-30. This failure is fatal to Grounds 1 and 4. *In re Stepan*, 868 F.3d

¹⁰ Batteries 2 through 7 locate the exposed portion in the same place as in Battery 1, which is described in paragraphs [0104] and [0111]. *Id.* ¶¶ [0115] (Battery 2), [0117] (Battery 3), [0119] (Battery 4), [0121] (Battery 5), [0123] (Battery 6), and [0125] (Battery 7).

1342, 1345–46 n.1 (Fed. Cir. 2017) (When “combining multiple embodiments from a single reference, or selecting from large lists of elements in a single reference, there must be a motivation to make the combination and a reasonable expectation that such a combination would be successful, otherwise a skilled artisan would not arrive at the claimed combination.”).

Third, even if a POSITA did combine Takemura with Oh-539 for Ground 7, this Ground fails for the additional reason that the resulting combination still would not include placing the “second insulating glue layer” at the claimed location. Petitioner relies on Takemura for disclosing the tape “opposite to the second recess,” in Figures 8 and 9. Pet. at 98-100. Petitioner then relies on Oh-539’s location of leads within the recesses. *Id.* at 100. Petitioner claims that “[i]n combining Oh-539’s central placement of the negative lead connection with Takemura, a POSA would have likewise shifted Takemura’s tape on the surface of positive active material layer to remain opposite the negative lead connection to shield the exposed metal surfaces of the negative lead connection from lithium plating.” Pet. at 99-100. However, when combining Takemura’s tape with Oh-539’s central lead placement, a POSITA would instead shave off the active material as taught by Takemura such that no tape remains. Ex. 1006 ¶ [0019]. Takemura teaches removing active material to form “an active material uncoated portion, which prevents lithium metal deposition.” *Id.* In fact, Petitioner’s hypothetical combination of Takemura’s tape with the central

recesses of Oh-539 is contradicted by Takemura's actual teaching for how tape should be placed in a battery with centrally located recess. *Id.* ¶ [0022] ("The positive electrode active material layer 3 opposite the beginning of the *winding end* of the negative electrode is covered with insulating tape 7 to prevent lithium metal deposition"). As such, Petitioner's combination in Ground 7 fails.

These are just a few high-level examples of the weak merits of the Petition. Additional details as to the merits will be presented in Patent Owner's upcoming Preliminary Response and accompanying expert declaration, which are incorporated herein by reference. FAQs. Q.25.

G. Memo Factor 1: Whether the PTAB or Another Forum Has Already Considered the '498 Patent Is Neutral

Memo Factor 1 asks "whether the PTAB or another forum has already adjudicated the validity or patentability of the challenged patent claims." While the '498 Patent has not been previously adjudicated, it is currently at issue in the pending the district court litigation and will have been adjudicated by the time a final written decision is expected to issue. Ex. 2002 (Second Texas Litigation Scheduling Order). Thus, this factor is (at most) neutral.

H. Memo Factor 2: No Material Changes In The Law Since The Claims Were Allowed By The Examiner Favors Denial

Memo Factor 2 favors denial of institution because there have been no material changes in the law since the Examiner evaluated the challenged claims and

ordered their allowance after finding them patentable in September 2023. Ex. 1002 at 408. This lack of a change in the law favors denial or is (at most) neutral.

The Board should not revisit and second-guess the Examiner's decisions on patent allowability less than three years after the claims' issuance, because the Examiner can be safely assumed to have done their job and Petitioner fails to identify any actual material error. Accordingly, this factor strongly favors denial of institution.

I. Memo Factor 4: Heavy Reliance on Expert Testimony, Including to Fill Gaps in the Prior Art's Teachings, Favors Denial

Memo Factor 4 relates to the "extent of the petition's reliance on expert testimony." The FAQs further explain:

While the Board may consider expert testimony, as a matter of efficiency, extensive reliance on expert testimony and/or reasonable disputes between experts on dispositive issues may suggest that the questions are better resolved in an Article III court. The statute and our reviewing court require that petitions be based on prior art patents and printed publications. As the judges have technical and legal expertise, it is not necessary for an expert to explain every aspect of the prior art. It is most helpful if an expert is providing focused testimony, for example to provide helpful context or to explain terms of art. The

failure to provide focused expert testimony may weigh against institution.

FAQs at Q.21.

This factor favors denial because, as explained above with respect to *Fintiv* Factor 6 and Memo Factor 3, Petitioner relies heavily on expert argument, assumptions, and inferences to fill in the gaps of the prior art, and relies on cursory expert testimony *alone* as evidence for the claim limitation “the second insulating glue layer has a width larger than a width of the second recess, and the second insulating glue layer has a length larger than a length of the second recess,” which it admits is not taught in Sato *or* Takemura. Pet. at 36-38. Moreover, Patent Owner relies on cursory (but lengthy) expert testimony for every cited claim limitation and every ground, rather than providing a focused expert declaration addressing the limitations for which expert testimony is necessary. Ex. 1003. Patent Owner, in its POPR, will present competing expert testimony explaining why Petitioner’s arguments, assumptions, and inferences are incorrect and do not meet the claim limitations. Because of the extensiveness of the expert testimony and the Petition’s reliance on that testimony to establish the alleged obviousness of the glue layer length and width limitations (which are not disclosed in the art references themselves), and because Petitioner’s own expert will provide testimony that the prior art does not disclose or suggest the claimed invention, this dispute is better

suited to resolution in an Article III district court, and this factor favors denial of institution. FAQs at Q.21.

J. Memo Factor 5: Settled Expectations are Neutral

Memo Factor 5 is directed to the “settled expectations of the parties, such as the length of time the claims have been in force.” These patent claims issued in March 2024, and accordingly this factor is neutral.

K. Memo Factor 6: Compelling Interests are Neutral

Memo Factor 6 is directed to “[c]ompelling economic, public health, or national security interests.” While ATL (which is a subsidiary of Japanese company TDK) provides a large percentage of the lithium-ion batteries used in smartphones, portable computers, and other portable electronics in the United States, and has an interest in protecting its U.S.-granted intellectual property from an adjudicated infringer (CosMX), this factor is neutral.

L. Memo Factor 7: Other Factors Favor Denial of Institution

Memo Factor 7 is directed to any other factors the Director should consider when evaluating whether to apply discretionary denial. This last factor slightly favors denial.

The numeracy of the Grounds raised by Petitioner in this Petition for each claim favors denial. Rather than present a targeted Petition raising a single Ground for each claim, Petitioner raises two Grounds for each independent claim (and eight

grounds overall), which would force the Board to consider multiple Grounds for every claim (and eight overall), even if only one of the Grounds were found to have merit (though, in fact, none do). This approach favors denial of institution compared to a Petition asserting a single strong Ground for each challenged claim.

Moreover, even if CosMX were completely successful on all grounds in the current Petition, one of the co-pending petitions (the Petition for the '910 Patent) fails to even attempt to set forth a *prima facie* ground for claim element 20.7 of independent claim 20 of the '910 Patent. Therefore, if this Petition were instituted, the Board would be required to address all grounds and even if every argument in this Petition and every other co-pending Petition were successful, a district court trial would still have to proceed regarding the infringement and validity of claim 20 of the '910 Patent and there would be no stay before *all six patents* were tried in the district court. The significant investment of effort by the Board only for its seven final written decisions to issue *after* a jury trial addressing the validity of all six patents is exactly the kind of wasted effort the Director's Memo counsels avoiding to maximize the efficient use of the Board's limited resources and minimize waste of taxpayer dollars.

Lastly, if any other Petition corresponding to a patent asserted in the Second Texas Litigation were denied institution under discretionary denial, that would weigh further in favor of denying institution in this proceeding because of the

decreased likelihood of a stay in the Second Texas Litigation, and because it would be more efficient for all invalidity issues across all six patents to be tried in the same forum.

V. CONCLUSION

Taken together, the *Fintiv* factors and Memo factors weigh strongly in favor of discretionary denial. Each of the factors either favor denial or are neutral:

Factor	Outcome
<i>Fintiv</i> 1: Stay	No stay; favors denying institution
<i>Fintiv</i> 2: Proximity of Trial Date	Before FWD; favors denying institution
<i>Fintiv</i> 3: Investment in District Court	Extensive; favors denying institution
<i>Fintiv</i> 4: Overlap in Issues	Significant; favors denying institution
<i>Fintiv</i> 5: Same Parties	Same parties; favors denying institution
<i>Fintiv</i> 6 /Memo 3: Strength of the Merits	Weak; favors denying institution
Memo 1: Already Adjudicated	No but pending; neutral
Memo 2: Changes in the Law	None; favors denying institution
Memo 4: Reliance on Expert Testimony	Extensive; favors denying institution
Memo 5: Settled Expectations	Neutral
Memo 6: Compelling Interests	Neutral
Memo 7: Any other Considerations	Numerous grounds and efficiency; favors denying institution

For the reasons noted above, Patent Owner respectfully submits that the Board should deny institution of all Grounds of the Petition.

Dated: May 12, 2025

Respectfully submitted,

By: / Christopher TL Douglas /
Christopher TL Douglas, Reg. No. 56,950

CERTIFICATION UNDER 37 C.F.R. §42.24

Pursuant to 37 C.F.R. §42.24(d), I certify that this reply complies with the type-volume limits of 37 C.F.R. §42.24(c)(1) because it contains 8,782 words, according to the word-processing system used to prepare this reply, excluding the parts of this reply that are exempted by 37 C.F.R. §42.24(c) (including the table of contents, a table of authorities, a listing of facts which are admitted, a certificate of service or this certificate word count, and appendix of exhibits).

Dated: May 12, 2025

By: / Christopher TL Douglas /
Christopher TL Douglas

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. §42.6(e), the undersigned hereby certifies that true and copies of the foregoing **PATENT OWNER'S DISCRETIONARY DENIAL BRIEF and PATENT OWNER'S EXHIBIT 2001-2010; 2013** were served in its entirety on May 12, 2025 by filing this document through the PTAB's P-TACTS Filing System as well as delivering true and correct copies by electronic mail on Petitioner's lead and backup counsel at the following email addresses (as agreed by counsel for Petitioner):

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