

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. IPR2025-00407
Patent No. 8,677,391

**PATENT OWNER'S REQUEST TO THE DIRECTOR¹ FOR
DISCRETIONARY DENIAL OF INSTITUTION**

¹ Pursuant to the Director's March 26, 2025 memorandum regarding Interim
Processes for PTAB Workload Management

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LISTING OF EXHIBITS

Exhibit	Description
2001	Declaration of Gerald B. Hrycyszyn
2002	Defendants' Initial Invalidity Contentions, NL Giken Inc. v. Amazon.com, Inc. et al., Case No. 1:24-cv-00028-MN (D. Del. Nov. 15, 2024)
2003	Disclaimer in Patent Under 37 CFR 1.321(a)
2004	RESERVED
2005	Oral Order Re Motion to Stay Pending Inter Partes Review, <i>PayRange, Inc. v. CSC Serviceworks, Inc.</i> , Case No. 1-23-CV-00278, D.I. 61 (D. Del., Feb. 26, 2024)
2006	Plaintiff's Opposition to Motion to Stay Pending IPR, <i>PayRange, Inc. v. CSC Serviceworks, Inc.</i> , Case No. 1-23-CV-00278, D.I. 59 (D. Del., Feb. 23, 2024)
2007	Official Transcript of Discovery Dispute, <i>Exact Sciences Corporation v. Geneoscopy, Inc.</i> , Case No. 1-23-CV-01319, D.I. 168 (D. Del., Nov. 1, 2024)

I. INTRODUCTION

Pursuant to the Director’s March 26, 2025 memorandum regarding Interim Processes for PTAB Workload Management (“March 26, 2025 Memo”), Patent Owner NL Giken Inc. requests that the Director exercise her discretion under 35 U.S.C. § 314(a) and issue a decision denying institution of the Petition. Far from diligent, Petitioners waited to file this Petition until **the very last week** before it would be time barred under 35 U.S.C. § 315(b). At the time of institution alone, the Parties will have ***completed*** fact discovery in the related litigation. And at the time of the Board’s final written decision, ***the jury trial will be completed*** (scheduled for June 22, 2026). Irrespective of Petitioners’ belated *Sotera* stipulation, on balance, it would be a waste of party and Board resources for these competing proceedings to advance in parallel and to reward delayed filing gamesmanship. Discretionary denial is in order.

II. DISCRETIONARY DENIAL IS WARRANTED

A. Each of the *Fintiv* Factors Favor Discretionary Denial or Are Neutral

On February 28, 2025, the USPTO rescinded the June 21, 2022, Memorandum entitled “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation” (Memorandum). Accordingly, the Memorandum’s absolute safe harbor provision for a *Sotera* stipulation no longer applies, and Petitioners’ March 10th *Sotera* stipulation (Paper 7) is no longer

dispositive. Considering all the *Fintiv* factors holistically, discretionary denial is in order.

1. Stay Potential Favors Neither Party

It is expected that Petitioners will request a stay in the related litigation within the next week. Patent Owner will oppose such a request to stay the litigation because it is premature. The District Court is likely to deny such a request to stay the litigation because the Board has only issued institution decisions in two of five IPRs challenging the asserted patents in the related litigation. *See* EX2001, at ¶ 9. Judge Noreika, the Judge before whom the related litigation is pending, has indicated as much. For example, in *PayRange Inc. v. CSC ServiceWorks, Inc.*, Judge Noreika denied a motion for stay as premature when filed after only three out of four IPR institution decisions had been made, because the PTAB had still not issued an institution decision on the last of the four asserted patents. Case No. 1-23-CV-00278, D.I. 61 (oral order denying the motion to stay as “premature” but noting defendant may renew its motion after the PTAB issues its remaining institution decision) (D. Del., Feb. 26, 2024) (attached as EX2005); *PayRange*, Case No. 1-23-CV-00278, D.I. 59, p. 1 (Plaintiff’s Opposition to Motion to Stay Pending IPR, stating “motion is premature because the PTAB has still not yet issued an institution decision on the last of four Asserted Patents”) (D. Del., Feb. 23, 2024) (attached as EX2006). Similarly, in *Exact Sciences Corporation v. Geneoscopy, Inc.*, Judge Noreika stated

that she would not consider a stay until she “know[s] the full scope” and that she was “not going to just assume because one patent was instituted the other one will be” so that the remaining decisions were needed in order to make a determination as to how much a stay might simplify the case. Case No. 1-23-CV-01319, D.I. 168, pp. 28-29 (D. Del., Nov. 1, 2024) (attached as EX2007).

This factor is thus neutral at best because the Board “will not attempt to predict” how the district court will proceed if a stay has not been granted. *Sand Revolution II, LLC v. Continental Intermodal Group-Trucking LLC*, IPR2019-01393, Paper 24 at 7 (Jun.16, 2020) (informative).

2. Trial Date Precedes the Final Written Decision

“If the court’s trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution under NHK.” *Fintiv* at 9. The statutory deadline for a Final Written Decision (FWD) is set to conclude a full month *after* the district court trial date of June 22, 2026. EX1012, at 13.

Here, had Petitioners been diligent in filing their petition rather than delaying for nearly an entire year, they could have avoided the trial date being scheduled before the FWD deadline.

Petitioners’ delay favors discretionary denial under this factor.

3. Litigation Investment Has Been Substantial

The parties' significant investment in the parallel district proceeding weighs in favor of denial. By the time the Board's institution decision is due *alone*, the parties will have:

- Completed fact discovery;
- Completed and served all final infringement, final noninfringement, final invalidity, and final validity contentions;
- Produced and reviewed more than 50,000 pages of documentary evidence;
- Produced source code (Petitioners);
- Completed intensive review of the source code (Patent Owner), with the expert source code review team's man-hours accumulating more than 30 days of effort preparing for and reviewing the source code;
- Conducted numerous witness depositions on behalf of both parties, including deposition of a foreign-based witness who traveled to the U.S for days of proceedings; and
- Exchanged claim construction briefing.

See EX2001, at ¶¶ 1-6.

Thus, by the time of the institution decision in this IPR, the parties will have invested substantial time and resources in the parallel proceeding preparing for a June 22, 2026, trial date—a date before the Board's projected final written decision

date. As in the Director’s recent decision in *Motorola Solutions, Inc., v. Stellar, LLC*, given the substantial time and effort the parties will have invested in the parallel proceeding, factor 3 strongly favors discretionary denial. IPR2024-01205, Paper 19, pp. 2-3 (PTAB March 28, 2025).

Petitioners waited until near the very end of the statutory period to file their Petition. No explanation for this delay was provided. Petition, 68-71. Petitioners’ lack of diligence in expeditiously filing their Petition and lack of explanation for the delay weigh in favor of denial. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 11-12 (PTAB, Mar. 20, 2020) (precedential) (“If, however, the evidence shows that the petitioner did not file the petition expeditiously . . . these facts have favored denial.”) (citing *Next Caller, Inc. v. TRUSTID, Inc.*, IPR2019-00961, Paper 10 at 16 (PTAB, Oct. 16, 2019) (weighing the petitioner’s unexplained delay in filing the petition in favor of denial of the petition))).

This factor thus also weighs in favor of discretionary denial.

4. Invalidity Issues Completely Overlap & Petitioners Have Demonstrated their *Sotera* Stipulation to be Meaningless

Because the final written decision in this IPR is not due until after trial in the co-pending litigation, the issues in the co-pending litigation and in this IPR will entirely overlap through the end of both proceedings.

The exact same claims are asserted in the co-pending litigation, and only those asserted claims, are being challenged in this IPR. As shown in Patent Owner’s

infringement contentions, Claims 1, 9, 10, and 12-15 are being asserted against Amazon. EX1010. With the disclaimer of claims 2 and 11 (*see* EX2003), the only claims challenged in this IPR overlap entirely with those asserted in the co-pending litigation – *i.e.*, claims 1, 9, 10, and 12-15.

Ray, EX1004, is the primary reference for all grounds in this IPR. Petition, 1. In the co-pending litigation, Ray is also Petitioner’s lead reference. EX2002, 26-27, A-1. Additionally, the secondary reference Nolan, EX1006, is also being used in Petitioner’s district court invalidity contentions. *Id.* Indeed, the only reference relied on this IPR that is not being used in Petitioner’s district court invalidity contentions is Cansler, which the Petition relies on as a secondary reference only to challenge a single dependent claim. Petition, 1.

As for Petitioners’ *Sotera* stipulation, as noted above, the USPTO rescinded the Memorandum which removes the absolute safe harbor provision for such stipulations. Moreover, in the co-pending litigation, Petitioners have identified system prior art in combination with Nolan. Thus, the belatedly filed *Sotera* stipulation is entirely toothless as Petitioners have already revealed their intention to litigate the ***exact same art again*** via procedural sleight of hand (*i.e.*, system art being ineligible for IPR). EX2002, 26-27. Petitioners “contend that the prior art references identified in Exhibits 391.A-D and/or described below [which includes prior art references relied on in this IPR (Nolan and Ray) as well as system prior art (Massive,

Inc., Lord of the Rings: Return of the King, and SWAT 4)] anticipate and/or **render obvious**, alone or **in combination**.” *Id.* at 26 (emphasis added); *see also id.* at A-3, A-4, A-8, A-15, A-17, A-19. As such, Petitioners’ *Sotera* stipulation is entirely superficial and should be given no weight in this holistic analysis.

Accordingly, as in the Director’s recent decision in *Motorola Solutions*, “Petitioner’s stipulation does not ensure that these IPR proceedings would be a ‘true alternative’ to the district court proceeding.” IPR2024-01205, Paper 19, pp. 3-4. Like in *Motorola Solutions*, “Petitioner’s invalidity arguments in the district court are more expansive and include combinations of the prior art asserted in these proceedings with unpublished system prior art, which Petitioner’s stipulation is not likely to moot.” *Id.* Accordingly, although Petitioner’s *Sotera* stipulation may mitigate some concern of duplication between the parallel proceeding and this proceeding, the stipulation does not outweigh the substantial investment in the district court proceeding or other *Fintiv* factors which weigh in favor of denial.

Since the Director’s decision in *Motorola Solutions*, Petitioners have done an about-face on system art materials. In anticipation of this filing, Petitioners have communicated they may withdraw the above noted system art from the litigation and stipulate not to raise it again (*i.e.*, only *now* that the Director has closed this *Sotera* loophole). However, the damage has been done to Patent Owner. Pulling the rug out from under the Patent Owner after it has expended months analyzing these materials

(introduced to the record on November 15, 2024 – *see* EX1012 at 3) only amplifies the ongoing and pervasive gamesmanship at work here. Indeed, PTAB merit-panels have made crystal clear that such stipulations are *only* enforceable with the aid of the Court. In effect, Petitioners seek to straddle both jurisdictions as it suits them.²

Further, Petitioners also take inconsistent positions in the co-pending litigation and in this IPR. In the co-pending litigation, Petitioners argue that near every limitation in independent claims 1 and 10 and dependent claims 12-14 is indefinite, including limitations of [1.b.i], [1.b.ii], [1.b.iii], [1.c], [10.b.i], [10.b.ii], [10.c.i], [10.c.ii], [10.d], [12], [13] and [14]. EX2002, 57-58. While indefiniteness is inappropriate in IPR, inconsistently, Petitioners appear to have no trouble understanding any of these terms here. That is, Petitioners readily explain and attempt to map these terms to the same submitted prior art as used in the co-pending

² Even absent wasting months of Patent Owner resources, the PTAB has demonstrated that it will not police such stipulations. *Google LLC v. Hafeman*, IPR2022-01188, Exhibit 3001 (PTAB March 20, 2023) (“[A]ny dispute regarding the scope or alleged violation of stipulations should be addressed in the district court proceedings in which such stipulations have effect.”)

litigation. Again, Petitioners are talking out of both sides of their mouth to the detriment of the Patent Owner by attempting to play both jurisdictions.

This factor thus weighs in favor of discretionary denial.

5. Litigation Defendants are the Same Petitioners

Petitioners are defendants in the parallel district court proceeding. This factor weighs in favor of discretionary denial. *Fintiv* at 15.

6. Other Considerations

Petitioners argue that the grounds satisfy the compelling merits standard. Petition, 71. But, the Petition does not present anticipatory prior art under §102. Instead the petition relies solely on obvious combinations under §103 (some grounds including up to three different references in combination, weaving in 110 pages of expert testimony). Yet the petition provides ***no 325(d) analysis at all*** for the agency to assess if these combinations of features are rework or not. The petition simply concludes in a single sentence that “[n]one of the challenges are substantially the same as those considered during prosecution.” Petition, 72. Of course, a proper 325(d) analysis must assess the technical content of individual ***references*** relative to the previous prosecution history—not “challenges.” This analysis permits the agency to efficiently assess whether “substantially similar” analyses were earlier performed by the examiner. The next paragraph adds additional conclusory language: “[i]f the challenges in this petition are found to be based on prior art that is the same or cumulative to the prior art considered by the examiner, the examiner

has made a clear error in allowing the claims over such prior art.” *Id.* But there are no “challenges” at all in patent examination and Petitioners cannot simply offload their 325(d) burden to the agency or Patent Owner to figure out.³ Petitioners’ 325(d) failure is separately fatal but simultaneously demonstrates the significant weight to be accorded to this *Fintiv* factor in favor of the Patent Owner.

As can be appreciated, the petition only serves to highlight the novelty of the challenged claims and the web of repurposed §103 prior art presented in the petition fails to render the challenged claims obvious for reasons that Patent Owner will highlight in its POPR merit-based briefing.

This final factor also weighs in favor of discretionary denial.

7. Balance of Factors Favor Denial

In sum, five of the six Factors (Factors 2 through 6) weigh in favor of discretionary denial. One factor (Factor 1) is neutral. Thus, the *Fintiv* factors considered as a whole favor denial and the Director should exercise her discretion to deny institution.

³ This analysis is a petition requirement. It cannot be remedied after-the-fact inclusion in Petitioners’ responsive brief. 35 U.S.C. § 325(d)

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

A. The Petition Relies Extensively on Expert Testimony

A relevant consideration identified in the Memorandum was “[t]he extent of the petition’s reliance on expert testimony.” Memorandum, at 2. Here, the Petition extensively relies on a 110-page expert declaration. Ex. 1002. And as already explained, the Petition does not explain how this testimony is used in conjunction with the cited art in a manner that is different from the prosecution history.

B. The ’391 Patent Has Been In Force Since 2014 and the Inventor Built a Business Around this Patent and Others Subject to IPR

A further relevant consideration identified in the Memorandum was “[s]ettled expectations of the parties, such as the length of time the claims have been in force.” Memorandum, at 2. In this case, the claims of the ’391 Patent have been in force for over 10 years. Moreover, the lead named inventor, Masahide Tanaka, has built up a business over the last 17 years known as “NL Giken.” EX2001, ¶7. NL Giken is 100% reliant on its patent portfolio, which includes this patent and others now pending before the PTAB. EX2001, ¶8. These are further significant reliance factors that favor discretionary denial so that the inventor can secure the fulsome Article III analysis he has been participating in for well over a year now.

IV. CONCLUSION

For the reasons discussed above, the Director should exercise her discretion under 35 U.S.C. § 314(a)/325(d) and deny the Petition in light of the advanced co-pending litigation.

Respectfully submitted,
NL Giken Inc.

Date: April 4, 2025

/Scott A. McKeown/
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CERTIFICATE OF WORD COUNT

Pursuant to 37 C.F.R. § 42.24 and the March 26, 2025 Memo, the undersigned certifies that the foregoing **PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL** contains 2,501 words excluding; a table of contents, a table of authorities, a certificate of service or word count, or appendix of exhibits or claim listing. Patent Owner has relied on the word count feature of the word processing system used to create this paper in making this certification.

Date: April 4, 2025

/MacAulay Rush/
MacAulay Rush
Paralegal
WOLF, GREENFIELD & SACKS, P.C.

CERTIFICATE OF SERVICE UNDER 37 C.F.R. § 42.6 (e)(4)

I certify that on April 4, 2025, I will cause a copy of the foregoing document, including any exhibits filed therewith, to be served via electronic mail, as previously consented to by Petitioner, upon the following:

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