UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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ZHUHAI COSMX BATTERY CO., LTD.,
Petitioner

v.

NINGDE AMPEREX TECHNOLOGY LIMITED,
Patent Owner

_____

Case IPR2025-00432
U.S. Patent No. 11,575,148

_____

PETITIONER'S RESPONSE TO PATENT OWNER'S DISCRETIONARY DENIAL BRIEF

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88 Fed. Reg. 24,503 (Apr. 21, 2023) 14

PETITIONER'S EXHIBIT LIST

Exhibit No.	Description
1001	U.S. Patent No. 11,575,148 ("the '148 patent")
1002	File history of Application No. 17/061,427 (now U.S. Patent No. 11,575,148)
1003	Declaration of Samuel Gido, Ph.D.
1004	*Curriculum Vitae* of Samuel Gido, Ph.D.
1005	U.S. Patent Application Publication No. 2017/0162849 A1 to Murakami et al. ("Murakami")
1006	International Patent Application Publication No. WO 2015/178351 A1 to Honda et al ("Honda")
1007	Certified Translation of International Patent Application Publication No. WO 2015/178351A1 to Honda et al. ("Honda")
1008	Japan Patent Application No. 2017-137432 to Tanaka et al. ("Tanaka")
1009	Certified English Translation of Japan Patent Application No. 2017-137432 to Tanaka et al. ("Tanaka")
1010	U.S. Patent Application Publication No. 2012/0228214 A1 to Beard et al. ("Beard")
1011	U.S. Patent Application Publication No. 2016/0013465 A1 to Akiike ("Akiike")
1012	U.S. Patent Application Publication No. 2015/0280195 A1 to Schmitz, et al. ("Schmitz")
1013	U.S. Patent Application Publication No. 2017/0194613 A1 to Murata et al. ("Murata")
1014	File history of parent Application No. 16/000,764 (now U.S. Patent No. 10,833,355)
1015	Complaint, *Ningde Amperex Tech. Ltd. v. Zhuhai CosMX Battery Co.*, No. 2:24-cv-00728-JRG (E.D. Tex. Sept. 6, 2024), ECF 1.

Exhibit No.	Description
1016	Unopposed Application for Extension of Time to Answer Complaint, *Ningde Amperex Tech. Ltd. v. Zhuhai CosMX Battery Co.*, No. 2:24-cv-00728-JRG (E.D. Tex. Dec. 4, 2024), ECF 16.
1017	U.S. Patent No. 9,065,119 to Nishikawa ("Nishikawa")
1018	Partial Stay Order, *STA Grp. LLC v. Motorola Sols., Inc.*, No. 2:23-cv-00030-JRG-RSP (E.D. Tex. Aug. 27, 2024), ECF 402.
1019	Order, *Stellar, LLC v. Motorola Sols., Inc.*, No. 4:23-cv-00750-SDJ (E.D. Tex. Apr. 21, 2025), ECF 170
1020	Order, *Cellspin Soft, Inc. v. ByteDance Ltd.*, No. 2:23-cv-00496-JRG-RSP (E.D. Tex. Jan. 27, 2025), ECF 106
1021	Order, *Intercurrency Software LLC v. Binance Holdings Ltd.*, No. 2:23-cv-00370-JRG (E.D. Tex. Aug. 29, 2024), ECF 86
1022	Order, *Netlist, Inc. v. Micron Tech., Inc.*, No. 2:22-cv-00203-JRG (E.D. Tex. Feb. 10, 2024), ECF 493
1023	Order, *BoxCast Inc. v. Resi Media LLC*, No. 2:21-cv-00217-JRG (E.D. Tex. May 25, 2022), ECF 163
1024	Order, *Datatreasury Corp. v. Fiserv, Inc.*, No. 2:13-cv-00431-JRG-RSP (E.D. Tex. Aug. 14, 2014), ECF 616
1025	Docket Navigator Time to Trial for Eastern District of Texas District Judge Rodney Gilstrap
1026	"Nearly two lithium battery fires per week on airplanes in the US alone," CTIF (Dec. 19, 2024), available at https://ctif.org/news/nearly-two-lithium-battery-fires-week-airplanes-us-alone
1027	Declaration of John C. Evans in Support of Petitioner's Response to Patent Owner's Discretionary Denial Brief
1028	Report on District Judge Rodney Gilstrap from Lex Machina

I. INTRODUCTION

IPRs were created to provide a lower-cost, higher-quality resolution of patent-validity disputes as compared to complex district-court litigation. *See* Changes to Implement Inter Partes Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents, 77 Fed. Reg. 48680-01 (Aug. 14, 2012) (identifying the goals of the AIA as "improv[ing] patent quality and limit[ing] unnecessary and counterproductive litigation costs"). Patent Owner (PO) observes that the present Petition relates to one of six patents PO asserted in a single co-pending district court case. PO suggests that it is more efficient for the PTAB to discretionarily deny all seven petitions related to these six patents, based on the overly simplistic argument that one proceeding is more efficient than eight. Paper 6 ("Br.") at 1-2. That portrayal of complex litigation is divorced from reality.

It is logistically intractable for a defendant to invalidate six patents in a single jury trial, even if all six patents are (as they are here) clearly invalid. The broad consensus of district courts is to grant *post-IPR institution* stays of proceedings where doing so will narrow the issues for trial by removing certain claims and patents based on the IPR results—even if it does not eliminate all issues. Any patents or claims that survive IPR can be litigated in a subsequent trial. *See, e.g.*, EX1018.

Trials that are targeted and streamlined by PTAB assistance are more efficient (and fairer) than a trial that is overburdened with issues. Indeed, it is a common

litigation strategy to assert an unwieldy number of patents, even where most are weak, as PO has done here, in order to drive up costs and distract defendants. Plaintiffs can then drop patents on the eve of trial and focus their jury presentation on the strongest claims, only to leave the threat of those dropped-but-still-in-force patents looming over the industry. Empowering defendants to resist that tactic has been one of the greatest benefits of IPR practice.

Additionally, and of particular importance to this Petition, the PTAB provides a tribunal of specialist judges who are well-versed in the law of patentability and have scientific backgrounds. The present Petition presents arguments based on highly technical arguments against the claimed concepts relating to porous membranes used as battery separators. A panel of experienced APJs is better suited to adjudicate the issues raised in this Petition than a lay jury.

II. *FINTIV* DOES NOT SUPPORT DISCRETIONARY DENIAL.

On balance, the *Fintiv* Factors weigh against discretionary denial.

A. *Fintiv* Factor 1 is neutral or weighs slightly against denial: The district court may stay proceedings for any patents that are instituted, promoting efficiency between the two tribunals.

The Eastern District of Texas regularly issues stays following institution of IPR proceedings under circumstances similar to the present situation. PO's suggestion that the district court here has indicated that it will not issue a stay is simply untrue. *Contra* Br. at 14. The court here has not made any statement one way

or the other about the appropriateness of a stay, and all of the authority PO cites relate to *pre-IPR institution* stays. Br. at 14-16. That Texas courts, like a number of other courts, do not favor pre-IPR institution stays—and Petitioner here has not requested one—does not mean a post-IPR institution stay is unlikely here.

In deciding whether to stay litigation pending IPR, the Eastern District of Texas

> consider[s] three factors: (1) whether a stay will unduly prejudice or present clear tactical disadvantage to the nonmoving party, (2) whether a stay will simplify the issues in question and the trial of the case, and (3) whether discovery is complete and whether a trial date has been set.

BarTex Rsch., LLC v. FedEx Corp., 611 F. Supp. 2d 647, 649-50 (E.D. Tex. 2009). Indeed, the court has observed that the PTAB's determination in IPR "could narrow the issues before the court, prevent duplicative or unnecessary discovery, and encourage settlement or dismissal." *Norman IP Holdings, LLC v. TP-Link Techs., Co.*, No. 6:13-cv-384-JDL, 2014 WL 5035718, at *3 (E.D. Tex. Oct. 8, 2014). Removing asserted patents or claims from a litigation due to parallel IPR proceedings—even where *other* asserted patents will still proceed to trial—creates invaluable efficiencies in the district court.

The Eastern District of Texas regularly finds that instituted IPRs meet the stay factors and issues stays despite its otherwise aggressive procedural schedules. *See*,

e.g., EX1019-EX1023; *Cobblestone Wireless, LLC v. Cisco Sys., Inc.*, No. 2:23-cv-00454-JRG-RSP, 2024 WL 5047854 (E.D. Tex. Dec. 9, 2024); *Foras Techs. Ltd. v. Aptiv PLC*, No. 2:23-CV-00314-JRG, 2024 WL 5348631 (E.D. Tex. July 25, 2024); *Broadphone LLC v. Samsung Elecs. Co.*, No. 2:23-cv-00001-JRG-RSP, 2024 WL 3524022 (E.D. Tex. July 24, 2024); *STA Grp. LLC v. Motorola Sols., Inc.*, No. 2:22-cv-00381-JRG-RSP, 2024 WL 2852961 (E.D. Tex. June 5, 2024); *Resonant Sys., Inc. v. Samsung Elecs. Co.*, No. 2:22-cv-00423-JRG, 2024 WL 1021023 (E.D. Tex. Mar. 8, 2024); *Commc'n Techs., Inc. v. Samsung Elecs. Am., Inc.*, No. 2:21-cv-00444-JRG, 2023 WL 1478447 (E.D. Tex. Feb. 2, 2023); *Vill. Green Techs., LLC v. Samsung Elecs. Co.*, No. 2:22-CV-00099-JRG, 2023 WL 416419 (E.D. Tex. Jan. 25, 2023).

Importantly, the Eastern District of Texas does *not* require that all petitions for asserted patents be instituted in order to find that a stay will create efficiencies and assist the district court. The court has stayed *entire cases* where only *some* of the asserted patents had instituted IPRs. *See OnPoint Sys., LLC v. Protect Animals With Satellites, LLC*, No. 4:20-cv-657, 2022 WL 2704166 (E.D. Tex. July 12, 2022). Alternatively, the court has bifurcated cases to stay the patents for which IPR was instituted, allowing other patents to proceed to trial. *See* EX1018.

The court has found that "the outcome of a PTO proceeding is likely to assist the court in determining patent validity or eliminate the need to try infringement

issues." *NFC Tech. LLC v. HTC Am., Inc.*, No. 2:13-cv-1058-WCB, 2015 WL 1069111, at *1 (E.D. Tex. Mar. 11, 2015) (quoting *Evolutionary Intelligence, LLC v. Millennial Media, Inc.*, No. 5:13-cv-4206, 2014 WL 2738501, at *2 (N.D. Cal. June 11, 2014)). Any IPR that stands to remove or greatly reduce the number of asserted patents or claims is "likely to assist" the district court. *NFC Tech.*, 2015 WL 1069111, at *1; *see also* EX1024 at 15 (granting stay pending a third-party IPR). The value of IPRs is not simply to moot entire district court trials.[1] It is to streamline unwieldy trials for which justice is otherwise out of reach due to cost, complexity, and limited trial time. This is such a case. Streamlining is especially helpful where, as here, each of the asserted patents covers very different subject matter and the Petitions cite different prior art. There is no efficiency to be gained by adjudicating validity all of the patents in the same forum.

Furthermore, PO's observation that Petitioner has not yet requested a stay in the parallel litigation, and its suggestion that grant of a stay is unlikely, is irrelevant and misleading. Br. at 13-15. PO cites an Order from *Force MOS Technology Co. v.*

[1] Indeed, PO's logic would imply that any time a plaintiff asserts more than one patent, the PTAB should leave all validity challenges to the district court. This incentivizes patent owners to broaden lawsuits as gamesmanship to avoid accountability before the PTAB, further burdening litigants and the courts.

ASUSTek Computer, Inc. for the proposition that the Eastern District of Texas "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. Br. at 14 (emphasis added) (quoting *Force MOS Tech. Co. v. ASUSTek Comput, Inc.*, No. 2:22-cv-000460-JRG (E.D. Tex. Apr. 10, 2024), ECF 74). That Order refers to pre-institution stays. As shown above, the Eastern District of Texas, like a number of other courts, is more than willing to grant stays *after* IPR institution. Petitioner will seek such a stay here after institution.

Finally, PO attempts to use alleged missing element 20.7 from another patent, U.S. Patent No. 11,769,910, challenged in another Petition, IPR2025-00405, as a reason to deny this Petition, while improperly trying to incorporate by reference that IPR's Discretionary Denial Brief and Preliminary Response. Br. at 7, 15. First, whether or not '910 Patent element 20.7 is met in that Petition has no bearing on whether to institute or deny in this case. PO cites no support for denying institution of an IPR because a different cause of action will survive. If this were the policy of the USPTO, then any case with a non-patent cause of action would be immune from review by the PTAB. This would only serve to bloat patent suits further by encouraging patent owners to protect their asserted patents with ancillary causes of action.

Second, the ’910 Patent Corrected IPR Petition adequately addresses element 20.7. That element recites identical subject matter to previously-addressed elements 3.1 and 17.1, and so the Petition cites that previous analysis for element 20.7. *See* IPR2025-00405, Paper 3 at ix, xii, xiii, 27-28, 30, 67, 69 (PTAB Jan. 5, 2025). PO’s argument about the ’910 Patent IPR here is a mere distraction.

B. *Fintiv* Factor 2 is neutral: The proximity of the court’s trial date is not informative here.

Factor 2 is neutral. Trial is currently set for July 6, 2026 (EX2002), which is only two months before the latest possible date for the Final Written Decision (FWD) on September 8, 2026 (September 6 being a Sunday, and September 7 being a Federal Holiday). Although the IPR petition was filed on January 10, 2025, the PTAB did not issue the Notice of Filing Date until March 6, 2025—taking 55 days, *a month longer* than average. Had the PTAB followed its usual timeline, the district court trial would be scheduled just one month before the latest possible date for the FWD, underscoring the narrow gap between the two proceedings.

Additionally, the currently scheduled trial date here is only a preliminary target. As of this filing, Judge Gilstrap has *thirteen* additional trials scheduled in his

courtroom the same week as the present parties' scheduled trial.[2] Only one will actually be held. The others will be rescheduled if the parties involved do not settle

[2] *See Wacom Co. v. Shenzhen Qianfenyi Intelligent Tech Co*., No. 2:24-cv-00702-JRG (E.D. Tex. filed Aug. 28, 2024); *WAG Acquisition, L.L.C. v. Technius Ltd.*, No. 2:24-cv-00714-JRG (E.D. Tex. filed Aug. 30, 2024); *Ningde Amperex Tech Ltd v. Zhuhai CosMX Battery Co., Ltd.*, No. 2:24-cv-00728-JRG (E.D. Tex. filed Sept. 6, 2024); *Reid v. Riddell, Inc.*, No. 2:24-cv-00731-JRG (E.D. Tex. filed Sept. 6, 2024); *ElectraLED, Inc. v. Traxon Techs Ltd.*, No. 2:24-cv-00741-JRG-RSP (E.D. Tex. filed Sept. 10, 2024); *VB Assets, LLC v. Samsung Elecs. Co.*, No. 2:24-cv-00828-JRG (E.D. Tex. filed Oct. 9, 2024); *Stingray IP Sols. LLC v. Hewlett Packard Enter. Co.*, No. 2:24-cv-00868-JRG-RSP (E.D. Tex. filed Oct. 28, 2024); *CM HK Ltd. v. Samsung Elecs. Co.*, No. 2:24-cv-00880-JRG (E.D. Tex. filed Oct. 31, 2024); *WebSock Glob. Strategies LLC v. Black Box Corp.*, No. 2:24-cv-00913-JRG (E.D. Tex. filed Nov. 12, 2024); *Jackson v. CenterPoint Energy Inc.*, No. 2:24-cv-00956-JRG (E.D. Tex. filed Nov. 21, 2024); *Holland v. Annett Holdings, Inc.*, No. 2:24-cv-01072-JRG-RSP (E.D. Tex. filed Dec. 23, 2024); *GDC Indus., Inc., v. Prysmian Cables & Sys. USA, LLC*, No. 2:25-cv-00028-RSP (E.D. Tex. filed Jan. 14, 2025); *Bracey v. Dolgencorp of Texas, Inc.*, No. 2:25-cv-00045-JRG (E.D. Tex. filed Jan.

their respective disputes. Moreover, PO has asserted six patents in the litigation, significantly increasing the likelihood that the July 2026 trial date will be postponed. Accordingly, the current, *tentative* trial date is not a reliable indication of the actual time to resolution in this case.

A more reliable indicator of the likely timeline is the average time to trial for Judge Gilstrap, which is currently 25 months and has been increasing. EX1025. That would make the anticipated trial date within days of the first Final Written Decision deadline for the patents at issue between the parties, and within one month for most of the asserted patents, including the '148 patent. The time to trial, however, does not account for resolution of post-trial briefing, which takes an average of four months for Judge Gilstrap's cases in the Eastern District of Texas. EX1028. The anticipated resolution of invalidity on the merits in the district court will, therefore, be months *after* FWD. Institution will still provide judicial economy even where the FWD issues after trial but before post-trial motions. These circumstances make the gap between the IPR and the district court resolution smaller and minimize the weight of Factor 2.

16, 2025); *Weeks v. Bonvenu Bank, N.A.*, No. 2:25-cv-00063-JRG (E.D. Tex. filed Jan. 22, 2025).

Even these timelines, however, do not reflect the likelihood that Judge Gilstrap will grant a stay of some or all of the case following IPR institution here, as he did in all of the cases cited above for *Fintiv* Factor 1. Where stays are granted, it does not matter that the statutory final written decision (FWD) deadline will be one, two, or even five months after the *scheduled* jury trial, *contra* Br. at 14-17, because any jury trial *will not include* the patents on review at the PTAB. Here, as discussed above, IPR instituted patents may be stayed from the proceedings in order to streamline a currently unwieldy district-court case. In the event that any claims of the IPR instituted patents survive, the district court can lift the stay and proceed to a bifurcated trial that is limited to the claims surviving FWD. Such a stay would make the current proximity of the anticipated trial date irrelevant to *Fintiv* Factor 2.

C. *Fintiv* Factor 3 weighs against denial: Minimal investment in the parallel proceeding by the time of the institution decision and expeditious filing.

The co-pending district court litigation is in its early stages. The parties have only recently exchanged contentions, no depositions have been taken, and the *Markman* process has not even begun. *Compare* EX2002 *with Motorola Sols., Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19 at 3 (PTAB Mar. 28, 2025) (finding substantial investment in parallel litigation where depositions had been taken, expert reports were already submitted, and a *Markman* ruling was already issued). The parties here will not even exchange potential terms for construction for months.

EX2002 at 4. Fact discovery recently began and will not close until February 2026, when expert discovery will begin, followed by dispositive motions. *Id.* at 3. PO's claim to have produced "tens of thousands of documents" is artificially inflated as PO appears to be counting *reproductions* from past and foreign litigations, collected months if not years ago. Br. at 17-20. Accordingly, because much of the investment relating to invalidity issues, including expert discovery and dispositive motions, will occur long after institution, this factor weighs against denial.

Furthermore, PO's arguments that the parties have substantially invested in the parallel litigation are misleading. PO primarily points to investments made in a *past* litigation between the same parties involving *other* patents, and foreign proceedings involving foreign counterparts—not the challenged patent. Br. at 17-20. That is not the kind of investment that is probative of *Fintiv* Factor 3 because it could not have been avoided by earlier filing and institution here. Indeed, PO's brief cites *no authority* for the proposition that sunk costs relating to *other patents* "should also be considered investments in this follow-on lawsuit." Br. at 19. Petitioner is aware of none. To the extent that discovery taken in a prior litigation is relevant to the current litigation, that actually *reduces* the burden of production in this case and results in *less investment* in the current district court proceeding. This factor thus weighs against discretionary denial, not in favor of it.

This factor also weighs against denial because Petitioner here filed its petitions at the earliest possible time during the district court proceeding. Indeed, all seven petitions were filed within just 2-3 months of Petitioner being served with the complaint and/or a few weeks after the PGR period ended. The later petitions were filed following additional patents being newly asserted in an amended complaint and the PGR period ending. Petitioner filed the petitions on a rolling basis as they were prepared, rather than waiting to file all petitions at once. Moreover, Petitioner even hired two additional law firms beyond its litigation counsel to ensure that all available resources were dedicated to filing the strongest possible petitions in the fastest possible timeframe. To the extent that this factor seeks to promote diligence in filing, such diligence has clearly been demonstrated here. *See, e.g.*, *Samsung Elecs. Co. v. Headwater Rsch. LLC*, IPR2024-01396, Paper 13 at 7 (PTAB Apr. 1, 2025) (noting that petitioner's diligence in filing the IPR weighed against denial).

D. *Fintiv* Factor 4 weighs strongly against denial: Petitioner's *Sotera* stipulation strongly weighs against discretionary denial.

Petitioner filed a *Sotera* stipulation concurrently with every one of its petitions, eschewing any gamesmanship, for example by waiting until after PO's preliminary response to file a stipulation. Indeed, in so filing its *Sotera* stipulations with its petitions, Petitioner unequivocally consented to having the PTAB adjudicate the prior-art merits of its petitions. *See Sotera Wireless, Inc. v. Masimo Corp.*,

IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (precedential as to § II.A). According to the PTAB's procedures in effect at the time of the filing, that concession would have precluded the Board from discretionarily denying the Petition based on the parallel litigation. It would be procedurally irregular and unduly prejudicial for the Office to retroactively apply to Petitioner here its new guidance limiting the effect of such stipulations.

At least for the present Petition, the Director should maintain the standards for institution in place at the time this Petition was filed, which Petitioner relied upon in crafting its Petition and *Sotera* stipulation. Petitioner developed the arguments in the Petition and corresponding litigation strategy based on the standards outlined in the Interim Procedure for Discretionary Denials (June 21, 2022) issued by the Office (the "*Fintiv* Memo"), including the PTAB's stated policy that a *Sotera* stipulation would avoid discretionary denial.

It is well established that the Patent Office cannot apply rules retroactively. *See Bowen v. Georgetown Univ. Hosp*., 488 U.S. 204, 213-214 (1988) (holding that agencies cannot "act retroactively" unless Congress expressly authorizes). "Elementary considerations of fairness dictate that individuals should have an opportunity to know what the law is and to conform their conduct accordingly." *Landgraf v. USI Film Prods.*, 511 U.S. 244, 265 (1994).

Guidance like the *Fintiv* Memo, while perhaps not formally a rule, nonetheless has the effect of a rule—especially where it directly sets standards for instituting IPRs and was binding on Board panels. *See* 35 U.S.C. § 316(a) (mandating that "[t]he Director shall prescribe regulations" including regulations "(2) setting forth the standards for the showing of sufficient grounds to institute a review under section 314(a)."). The Office's rescission of the prior *Fintiv* Memo, including the effect of the *Sotera* stipulation, effectively changed the standards for the showing of sufficient grounds to institute review under § 314(a).

Setting aside whether rescinding the *Fintiv* Memo is itself an APA violation, *see generally Apple Inc. v. Vidal*, 63 F.4th 1 (Fed. Cir. 2023), applying that change retroactively surely violates the spirit of the APA, *Bowen*, and *Landgraf*. Petitioners should have an opportunity to know what the institution standard is upon filing their petition and to conform their petitions accordingly. This is especially true in light of the Office's representation that any further changes to the institution process would be made through notice-and-comment rulemaking. *See* 88 Fed. Reg. 24,503 (Apr. 21, 2023).

It is furthermore arbitrary and capricious for the Office to issue—and then retroactively enforce—guidance based on changes that *directly contradict* the Office's prior guidance, particularly the controlling effect of a *Sotera* stipulation. Indeed, the Office did not even provide any reasoned explanation for the changes.

See FDA v. Wages & White Lion Invs., LLC, 145 S. Ct. 898, 918 (2025) (explaining that when an agency changes position, it must "offer 'good reasons for the new policy'") (quoting *FCC v. Fox Television Stations, Inc.*, 556 U.S. 502, 515 (2009)).

The reference to "workload needs of the PTAB" in the Interim Processes for PTAB Workload Management Memorandum (March 26, 2025) ("2025 Memorandum") does not explain how the changes will aid that goal. *See Fox Television*, 556 U.S. at 515 (confirming that an agency changing position must show "that the new policy is permissible under the statute, that there are good reasons for it, and that the agency *believes* it to be better, which the conscious change of course adequately indicates"). The 2025 Memorandum does not contain any objective analysis or data illustrating how the workload of the PTAB has changed, or, if it has changed, how such change impacts the PTAB's ability to meet its statutory obligations. *Id.*

Applying the new discretionary denial standards retroactively to this Petition prejudices the Petitioner, who relied upon the Office's prior guidance in incurring the costs of preparing and filing petitions and in coordinating strategies between district court and USPTO proceedings. This is particularly true where the retroactive application of a new rule was not first subjected to notice-and-comment rulemaking under the Administrative Procedure Act, despite the agency's stated intent to follow such procedures. *See NetworkIP, LLC v. FCC*, 548 F.3d 116, 122–23 (D.C. Cir.

2008). In view of this prejudice and the procedural irregularity surrounding the new discretionary denial guidance and the bifurcated briefing process more generally, the Director should not exercise discretion to deny this Petition.

While the Director recently addressed and disregarded this retroactivity concern (*see Motorola Solutions, Inc. v. Stellar, LLC*, IPR2024-01284, Paper 17 at 5 (PTAB May 23, 2025)), the Director misunderstood the real issue. The concern with applying the rescission of the *Fintiv* Memo retroactively is not whether Petitioner "had the opportunity to present…arguments in view of the rescission," as the Director surmised. *Id.* Instead, the concern, as articulated here, is that the retroactive application prejudices the Petitioner who has relied upon the Office's prior guidance in coordinating strategies between district court and PTAB proceedings and selecting prior art to be applied in both proceedings. This fundamental concern was not addressed by the Director in *Motorola Solutions*.

Additionally, Petitioner's invalidity contentions include grounds based on independent product testing of public-use batteries unrelated to the patents and printed publications raised in the IPR. *See* EX2003; EX1027. As such, the present IPR serves as a true alternative to district-court litigation, not a duplicative proceeding. The Petition here is therefore distinguishable from the petition that was denied in *Motorola Solutions* where the petitioner's reliance on "unpublished systems" in combination with the same prior art relied on in the IPR raised concerns

about duplicative review. IPR2024-01205, Paper 19 at 4. Accordingly, *Fintiv* Factor 4 weighs strongly against discretionary denial.

Even under the new guidance, the Office has confirmed that *Sotera* is still "binding precedent," and acknowledged that "a *Sotera* stipulation"—like the stipulation filed with the present Petition—"weighs strongly against exercising discretion to deny institution." *See Solus Advanced Materials Co. v. SK Nexilis Co.*, IPR2024-01460, Paper 14 at 18 (PTAB Apr. 22, 2025) (citing *Sotera*, IPR2020-01019, Paper 12 at 19).

E. *Fintiv* Factor 5 is neutral or weighs slightly against discretionary denial.

As is true for most IPRs, Petitioner is a defendant in the parallel litigation, and here this fact is neutral for the reasons discussed for Factor 2. *See Google LLC v. Parus Holdings, Inc*., IPR2020-00846, Paper 9 at 21 (PTAB Oct. 21, 2020) ("Here, … Petitioner is the defendant in the parallel proceeding. This fact could weigh either in favor of, or against, exercising discretion to deny institution, depending on which tribunal was likely to address the challenged patent first."); *see also NVIDIA Corp. v. Invensas Corp*., IPR2020-00603, Paper 11 at 23 (PTAB Sept. 3, 2020) ("this factor weighs slightly against discretionary denial" where the district court trial and IPR final written decision are expected "around the same time").

F. *Fintiv* Factor 6 and Memo Factor 3: The strong merits of the Petition weigh against discretionary denial.

1. Murakami: Grounds 1-6

PO contends that Petitioner's Grounds applying Murakami do not support institution because: (1) Murakami does not disclose or suggest "pores formed by the binder" as recited in elements [1.3] and [10.8]; and (2) Murakami does not expressly disclose the claimed inorganic particle sizes Dv10, Dv50, and Dv90. Br. at 23. But PO's positions are based on strawman arguments that have no basis in the '148 Patent claim language and, accordingly, fail to demonstrate that the Petition lacks merit.

a. The Petition shows that Murakami discloses a porous layer with "formed by the binder"

The Petition demonstrates that Murakami discloses pores "formed by the binder," as broadly recited in elements [1.3] and [10.8]. As explained during the prosecution of U.S. Application No. 16/000,764 Application ('148 Patent's parent application), the Examiner found that the Murata reference disclosed this same element recited in the claims of that application: "[Murata's] porous film comprises pores formed by the binder … given pores are found within the binder and porous layer." Paper 2 ("Pet.") at 23 (citing EX1002, 22; EX1003, ¶ 90); *see also* Pet. at 11. Notably, Murata teaches the same high filler (and low binder) content as Murakami,

most preferably 90 to 99%, and the Examiner still found Murata's pores were formed by binder. *See, e.g.*, EX1013, ¶ [0082].

PO did not persuade the Examiner otherwise. Instead, allowance was obtained by amending the independent claims to add Dv10, Dv50, and Dv90 ranges and relationships. Pet. at 11 (citing EX1014, 37, 42, 60-64). Likewise, the '148 Patent application was allowed over Murata in the first action on the merits because the original claims already recited the claimed Dv10, Dv50, and Dv90 ranges and relationships—not because the "formed by the binder" recitation made the claims patentable. Pet. at 10-11 (citing EX1002, 20-23).

As the Petition explains, Murakami discloses pores "formed by the binder" because, in Murakami's porous layer, "the filler is bound by the binder resin" that contains the pores. Pet. at 23 (citing EX1005, ¶[0070]; EX1003, ¶ 90). That is, Murakami's binder binds together the inorganic particles, forming the structure of the porous layer that defines the pores. *Id*. Thus, like the Examiner found regarding Murata, Murakami's "porous film comprises pores formed by the binder … given pores are found within the binder and porous layer." Pet. at 23 (citing EX1002, 22); *see also* Pet. at 11.

The Petition also demonstrates that Murakami's process forms pores in a similar way to the '148 Patent's process. *See* Pet. at 23-25. While the broad claim language does not require Murakami to use a similar process to form the porous

layer—only that the porous layer has "pores formed by the binder"—this further supports that Murakami discloses or suggests this claim element. *Id*.

Arguing that Murakami fails to disclose elements [1.3] and [10.8], PO contends that "the inorganic filler in Murakami is 'bound by the binder resin' and *not* dispersed in it because 'a porous layer in which a filler is dispersed in a resin (binder resin) is not suitable.'" Br. at 24 (citing EX1005, ¶ [0070]). According to PO, Murakami has "just enough [binder] to glue (i.e. bind) the inorganic particles together, not nearly enough to form the pores." *Id*.

First, PO reads unrecited limitations into the claims. Nothing in the broad claim language requires the claimed porous film to have so much binder that the inorganic particles are "dispersed in it," as PO contends. Indeed, PO's position contradicts the very next elements ([1.4] and [10.9]) of independent claims 1 and 10 requiring that "the pores at least comprises a part of the inorganic particles." The claimed pores cannot simultaneously be (1) formed by the binder and (2) comprise inorganic particles—as the claim language recites—if the inorganic particles are completely dispersed within the binder as PO contends. Thus, the claim language does not support PO's view that the '148 Patent claims require enough binder to engulf the inorganic particles so that the pores comprise only binder and no portions of inorganic particles.

Second, PO fails to explain why a porous layer having its inorganic particles coated with binder and glued together does not satisfy the requirement of having "pores formed by the binder." Even if, as PO contends, Murakami's porous layer uses only enough binder to coat and glue the particles together, Murakami still discloses elements [1.4] and [10.9].

b. The Petition shows that Murakami discloses the claimed Dv10, Dv50, and Dv90 values and relationships

PO does not dispute that Murakami discloses the claimed Dv10, Dv50, and Dv90 values and relationships. Instead, PO criticizes this disclosure because "Murakami measures the particle size distribution (D10, D50, and D90) of the filler ***before*** creating the mixture and dispersing the porous layer." Br. at 26. According to PO, "the D10, D50, and D90 values reported in Murakami are unreliable and are not the actual sizes of the inorganic particles in the finished porous film" because Murakami's dispersion technique "would damage particles or at least significantly change the particle sizes as a result of high-energy collisions." *Id*., 25-26.

PO again improperly reads unrecited limitations into the '148 Patent claims: a timing requirement for when Dv10, Dv50, and Dv90 of the inorganic particles must be measured. The claims do not state that these measurements must be taken from the "finished" product and/or after creating the mixture and dispersing the porous layer, as PO asserts. Indeed, the '148 Patent has only apparatus claims silent

on when particle size was measured and not—as PO's argument requires—claims to a manufacturing process that includes steps of measuring Dv10, Dv50, and Dv90 of the inorganic particles at the end of the process and/or after dispersing the porous layer.

If the timing of measuring Dv10, Dv50, and Dv90 of the inorganic particles were important (as PO suggests), the '148 Patent specification would instruct the reader to measure these particle sizes in the final product and/or after dispersion—and teach some reliable technique to do so. It does not. Instead, the '148 Patent specification only briefly discusses mixing inorganic particles of certain size distributions with binder and lacks any detail on the dispersion process or how/when particle size is measured. *See* Pet. at 24-25 (citing EX1001, 6:16-32); *see also* EX1001, 12:16-35, 17:55-18:7, 19:3-23.

Moreover, it is not clear from the disclosure of the '148 Patent how a POSITA could reliably measure the claimed particle size distributions of the "finished" product and/or after dispersing the porous layer. The '148 Patent includes two blurry and unannotated SEM images of the porous layer that only show two slices of the layer: "FIG. 1 is an electronic microscope image ... of the pore structure of the *lower surface* ..." and "FIG. 2 is an electronic microscope image ... of the pore structure of the lower surface of the porous film ...." EX1001, 2:61-67, FIGS. 1 and 2 (emphasis added). The '148 Patent specification does not teach how a POSITA could

practically and reliably measure particle sizes in the finished product within those two slices, much less of the vast majority of the particles embedded within the body of the porous layer and not shown in the SEM images. Thus, if PO is correct that the '148 Patent claims refer to particles size distributions of the finished product, the '148 Patent suffers from the same "problem" as all the other prior art.

PO contends that the passage at 12:16-35 of the '148 Patent teaches that the particle size distributions refer to those of the "finished" product. Br. at 26. It does not—it just states the particle size distributions in the last sentence of the paragraph, without saying when the measurements were taken. By contrast, another '148 Patent passage reports the particle size distributions in the same sentence describing the "coating solution" for the porous layer. *See, e.g.*, EX1001, 14:2-7 (The preparation method of Example 8 is based on that of Example 1, "except that the solid content of the coating solution is 15%, and the particle size distribution of inorganic particles (boehmite) is that Dv10 is 1.6 μm, Dv50 is 2.6 μm and Dv90 is 4.6 μm."). Under PO's logic, this statement means that the '148 Patent reports inorganic particle size distributions at the time of adding them to the porous layer slurry, not in the finished product. PO's logic would also mean that any isolated reports of particle size in the prior art—without further context about when the measurements were taken—likewise refer to particle sizes in the "finished" product. *See, e.g.*, EX1005 (Murakami), ¶¶ [0018], [0066], [0161], [0185], [0196], EX1011 (Akiike),

¶¶ [0010]-[0013], [0033], [0037], [0243]; EX1012 (Schmitz), ¶¶ [0053], [0068]-[0070]. Thus, PO has shown no meaningful difference between Murakami and the claim language.

Finally, both the '148 Patent and Murakami teach using alumina as the inorganic particles of the porous layer. *Compare* EX1001, 2:19-24, 3:52-53, 14:59-62, 25:55-61, 26:40-46 *with* EX1005, ¶¶ [0060], [0061], [0140], [0141], [0161], [0185]. Thus, if, as PO contends, high-pressure dispersion would damage and alter the size of Murakami's alumina particles, it would similarly affect the '148 Patent's alumina particles. The '148 Patent teaches thorough mixing of dispersions but discloses no specific dispersion technique. A POSITA would therefore have to select a technique to disperse the '148 Patent's inorganic particles, and Murakami's method is one such common option. Regardless of the method chosen, effective dispersion would risk damaging the particles and altering their size distribution. By PO's reasoning, the '148 Patent's failure to disclose particle size distributions after dispersion, or the type of dispersion technique used, would equally undermine its own reported particle size distributions. In this respect as well, PO identifies no meaningful distinction between Murakami and the claim language.

In short, given the '148 Patent's silence on when particle size is measured, a POSITA would understand the '148 Patent, like Murakami and the other prior art, to report off-the-shelf inorganic particle sizes—not some speculative, and probably

unmeasurable, particle size after unintentional damage—as is customary in the field. *See, e.g.*, EX1005 (Murakami), ¶¶ [0018], [0066], [0131], [0140], [0161], [0185], [0196], EX1011 (Akiike), ¶¶ [0010]-[0013], [0033], [0036], [0037], [0194], [0195], [0243]; EX1012 (Schmitz), ¶¶ [0053], [0068]-[0070], [0108] (reporting particle size without measurement-timing context or when adding the particles to the porous membrane slurry).

2. Murakami and Beard: Grounds 4-6

PO contends that Petitioner's Grounds 4-6 combining Murakami and Beard do not warrant institution on the merits because: (1) Beard does not disclose or suggest "the pores at least comprise[] a part of the inorganic particles" as recited in element [1.4] and [10.9]; and (2) a POSITA would not have been motivated to combine Murakami and Beard. Br. at 27-28. As explained below, PO is incorrect and has not shown that Grounds 4-6 lack merit.

a. The Petition shows that Beard discloses or suggests "the pores at least comprise[] a part of the inorganic particles"

The Petition demonstrates that Beard discloses elements [1.4] and [1.9] in at least two ways: (1) inorganic particles packed within the pore walls of the porous layer; and (2) some inorganic particles protruding into and/or sitting within the pore voids themselves. *See* Pet. at 51-54. Specifically, the Petition annotates Beard's Figure 1 to illustrate both ways in which Beard's pores comprise inorganic particles:

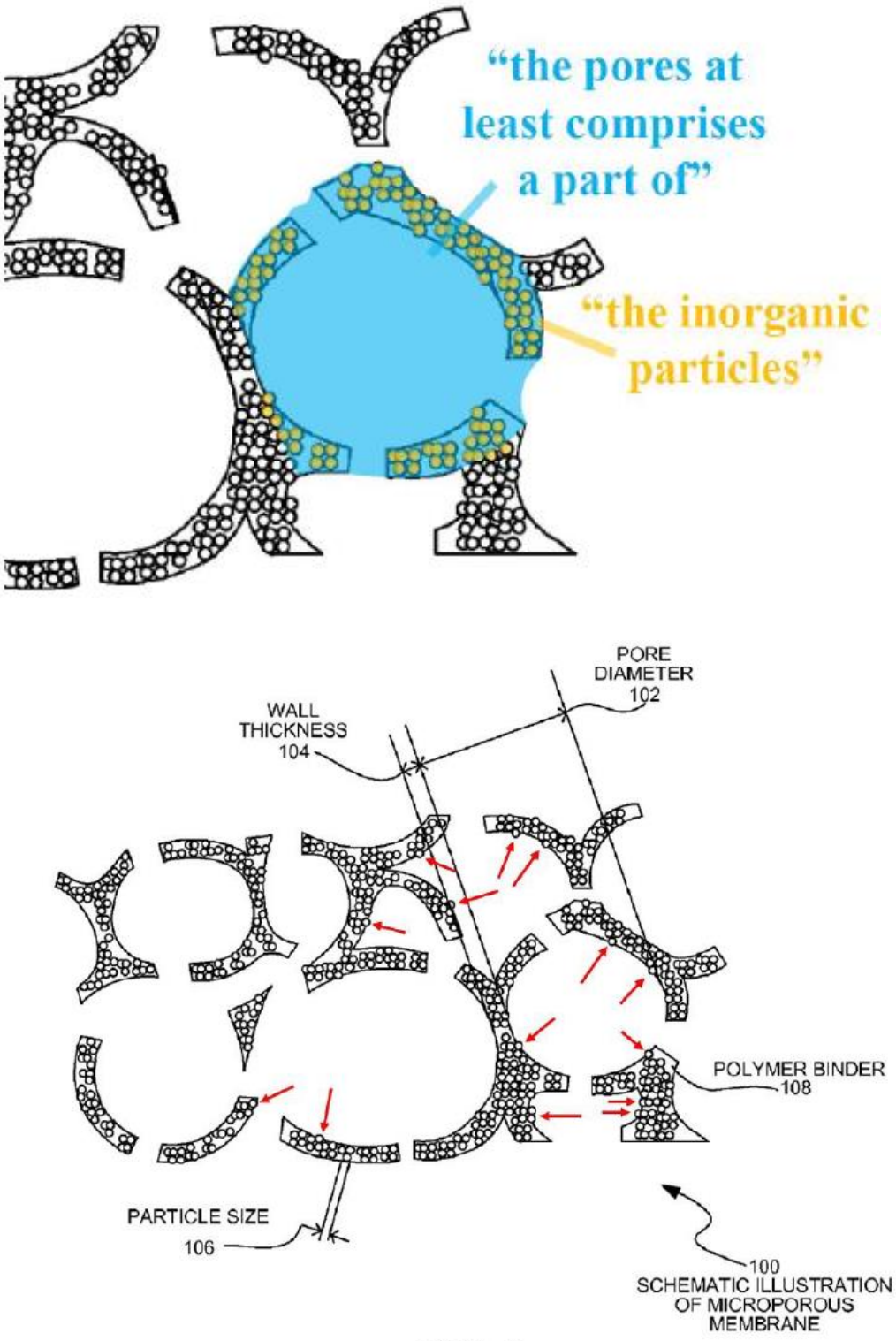


FIG. 1

Pet. at 52, 54

The Petition further cites description in the text of Beard confirming these pore characteristics illustrated in the Figures. For example, regarding inorganic particles within the pore walls, the Petition highlights Beard's description that "fillers are very tightly packed *into the pore walls* of [the] microporous membrane." Pet. at 53 (citing EX1010, ¶¶[0012], [0010] ("*Within the pore walls*, a highly packed spherical filler material may be bound with a polymer."), [0003] ("*Within the pore walls* ... , a densely packed filler material ...."). And, regarding particles within or protruding into the pore voids, the Petition cites Beard's description that some particles "*may extend through, across or between the pores* creating a porous fibrous network independent of the fillers *deployed within the polymer membrane walls that surround the larger fibrous particles*." Pet. at 54 (citing EX1010, ¶ [0025]; EX1003, ¶ 176).

Rather than addressing the substance of Beard's disclosure, PO dismisses Beard Figure 1 as "a handwritten and not-to-scale cartoon figure." Br. at 27. But Figure 1 clearly illustrates the two distinct ways in which Beard's pores meet the claim language. A photographic image of Beard's porous membrane is not necessary to demonstrate that "the pores at least comprise[] a part of the inorganic particles," as claimed. PO also ignores the accompanying description in Beard—cited in the Petition and discussed above—which confirms and explains the pore characteristics

depicted in Figure 1. *See, e.g.*., Pet. at 53 (citing EX1010, ¶¶ [0003], [0010], [0012], [0025]).

Further confirming the pore characteristics depicted in Figure 1, Beard's "FIG. 2 is an electron microscopy image showing a surface of a filled porous material" that includes "unincorporated filler particles **206**"—filler particles in the pores. EX1010, ¶¶ [0007], [0036]; *see also id*., ¶[0008] ("FIG. 3 is an electron microscopy image showing a surface of a filled porous material after post processing"). Thus, to the extent that it matters, Beard also provides microscopic images of its porous membrane showing particles inside the pore voids themselves.

PO further argues that Beard Figure 1 fails to show that the "pores at least comprise[] a part of the inorganic particles." Br. at 27. According to PO, Figure 1 depicts the inorganic particles as "packed exclusively in the *walls* and … not extending into the pores themselves." *Id*. This is incorrect.

First, PO ignores the second version of Beard Figure 1 above, where Petitioner's expert Dr. Gido annotates many inorganic filler particles protruding from the pore walls into the pore voids of Beard's microporous layer. Pet. at 52 (citing EX1003, ¶¶174-177). And, as explained, PO also ignores accompanying description in Beard's specification—cited in the Petition—which explicitly describes filler particles extending into the pore voids. *See, e.g.*., Pet. at 53-54 (citing EX1010, ¶¶[0003], [0010], [0012], [0025]).

Second, even if Beard did not illustrate and expressly disclose inorganic particles inside the pore voids (which Beard does), Beard's disclosure of inorganic particles embedded inside the "pore walls" independently satisfies the claim language. As the Petition explains, "the [broad] claim language does not require the inorganic particles to be inside the pore voids themselves." Pet. at 53. And "[t]he '148 Patent provides no information about what it means for pores to at least comprise a part of the inorganic particles—beyond repeating the broad claim language." *Id.* (citing EX1001, Abstract, 1:45-50). PO omits that Beard expressly identifies the "walls" containing Beard's inorganic particles as "*pore* walls." *See* Pet. at 52-53 (citing EX1010, ¶¶ [0003], [0010], [0012]). Thus, Beard's disclosure of inorganic particles within the *pore* walls discloses that "the pores at least comprise[] a part of the inorganic particles," as claimed.

b. The Petition shows that a POSITA would have combined Murakami and Beard

The Petition provides ample rationale for a POSITA to have combined Murakami and Beard as proposed. *See* Pet. at 54-56. PO disputes that a POSITA would have made the combination because "the two references have ... incompatible particle sizes (and distributions)[.]" Br. at 28. According to PO, Beard's technique only works with particle sizes smaller than the cell wall thickness, citing values of

"0.02 microns or less" and "less than 0.005 microns" that are purportedly "much smaller particle sizes than Murakami uses." *Id*. PO is incorrect.

First, PO mischaracterizes Petitioner's Murakami-Beard combination. Petitioner's combination incorporates Beard's technique of packing inorganic particles in the cell walls into Murakami—not the cell walls themselves. Thus, the thickness of *Beard's* cell walls compared to the size of *Murakami's* particles is irrelevant.

Second, the Murakami-Beard combination would work even if Petitioner had proposed incorporating Beard's cell wall thicknesses into Murakami. For example, PO overlooks that Beard teaches inorganic particle sizes up to 0.2 microns. EX1010, ¶ [0022]. As explained in the Petition, Murakami discloses a Dv10 range of 0.005 to 0.4 μm and a Dv50 range of 0.01 to 1.0 μm, both of which overlap Beard's particle size range. Pet. at 31-32 (citing EX1005, ¶[0018]; EX1003, ¶¶109-112). Likewise, Beard's cell wall thickness range of up 0.02 μm, cited by PO, also overlaps at least Murakami's Dv10 and Dv50 ranges. Thus, at least Murakami's Dv10 and Dv50 particles could "fit" inside Beard's cell walls, resulting in "the pores comprise[] at least a part of the inorganic particles," as claimed. And larger particles would extend into and/or sit in the pore voids themselves, also resulting in "the pores comprise[] at least a part of the inorganic particles."

3. Beard and Akiike: Grounds 7 and 8

PO contends that the same Murakami-Beard combination issue applies to Ground 7 combining with Beard and Akiike. Br. at 29. According to PO, this combination would not work because "Akiike discloses much larger particle sizes than Beard." *Id*. Again, however, PO overlooks that Beard discloses particle sizes up to 0.2 μm, which overlaps at least Akiike's D10 range. *See* Pet. at 61 (citing EX1011, ¶¶[0031]-[0033]). Thus, at least Akiike's Dv10 particles could "fit" inside Beard's cell walls, resulting in "the pores comprise[] at least a part of the inorganic particles, as claimed." And larger particles would extend into and/or sit in the pore voids themselves, also resulting in "the pores comprise[] at least a part of the inorganic particles," as claimed.

For the above stated reasons, this factor weighs against discretionary denial.

III. THE INTERIM GUIDANCE DOES NOT SUPPORT DISCRETIONARY DENIAL.

All of the factors discussed in the 2025 Memorandum weigh against discretionary denial here.

A. Memo Factor 1: The Validity of the Challenged Patent Claims Have Never Been Adjudicated.

PO admits that "the '148 Patent has not been previously adjudicated." Br. at 30. This factor weighing against discretionary denial.

B. Memo Factor 2: No Material Changes in the Law is Neutral

The parties agree that there has been "no material changes in the law" since the issuance of the '148 Patent. Br. at 30. But this does *not* favor discretionary denial here, as PO alleges, where the patent has not been in force long. PO argues that "[t]he Board should not revisit and second-guess the Examiner's decisions…less than three years after claim's issuance" (Br. at 30), but that ignores that the Examiner did not consider any of the prior art cited in the petition. To the extent the Examiner did consider some of the cited art, it is clear from the petition that the Examiner failed to fully appreciate the cited art and/or erred in their consideration of said art. This factor is neutral.

C. Memo Factor 3: The Strength of the Petition Weighs Against Discretionary Denial

As explained above for *Fintiv* Factor 6, the Petition presents a strong case of obviousness based on multiple grounds. *Supra* Section II.F. Therefore, Memo Factor 3 weighs against discretionary denial.

D. Memo Factor 4: The Petition's legal and technical subject matter and appropriate reliance on expert testimony weighs against discretionary denial.

The Petition's reliance on expert testimony does not support discretionary denial under the facts of this case. Petitioner appreciates the Board's comment that certain kinds of expert testimony are better adjudicated in an Article III court. FAQ.21 from 2025 Memorandum (https://www.uspto.gov/patents/ptab/faqs/

interim-processes-workload-management). Where arguments rely heavily on the experts' experience or impressions of ordinary skill, live testimony can allow the factfinder to make credibility determinations. That is not the case with the particular arguments or expert testimony here.

The expert declaration supporting the present Petition provides helpful context on technical issues, such as, for example, similarities between Murakami's, Beard's, and the '148 Patent's (conventional) pore-forming processes; how the fraction of filler particles by volume relative to binder in Murakami's porous layer B means that the filler particles make up the majority of the layer; and reasons motivating a person of ordinary skill in the art to have combined the references with a reasonable expectation of success. *See, e.g.*, EX1003, ¶¶91-94, 100, 144-146, 154-160, 167-172, 178-180, 199-205.

While the expert declaration provides support for every limitation of the challenged claims—in that the Petitioner's expert agrees with the arguments made in the Petition—the Petition does not rely merely on that testimony to substantiate these arguments or, as PO alleges, fill in gaps in the prior-art patents and printed publications. Rather, the Petition stands alone and relies on explicit and inherent teachings in the prior-art patents and printed publications cited.

Accordingly, while the Petition on its face unsurprisingly cites to the supporting expert declaration for every claim limitation, it is not the kind of reliance

that is better suited to Article III fact-finding. Indeed, it is better suited to the technical experience and legal sophistication of APJs.

E. Memo Factor 5: The Lack of Settled Expectations Weighs Against Discretionary Denial

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 2023. This Petition was filed less than two years later. As this is so early in the 20-year term of the Patent, this factor weighs against discretionary denial.

F. Memo Factor 6: Compelling economic and public interests weigh against discretionary denial.

Battery safety is at the forefront of in-demand and developing technology. Today, every person carries portable electronic devices like cell phones, laptops, and tablets with them at all times, especially travelers on airlines and other commercial transportation. As electronic devices become more powerful and battery capacity increases, the danger of short circuits, battery fires, and even explosions increases.

According to FAA statistics, incidents of lithium battery fires on U.S. flights have surged by 388% since 2015, now happening nearly twice a week. EX1026. A passenger involved in one such incident reported to CBS News: "It was absolute chaos. It truly felt like every man for themselves. And it was terrifying. I didn't know if we were going to explode. All I knew was I needed to get out and survive." *Id.* at 3. David Wroth of UL Standards & Engagement, an organization focused on safety

research, commented: "Any fire at 30,000 feet is unacceptable." *Id.* A survey conducted by UL with over 800 flight attendants showed that 87% are concerned about the risks posed by lithium batteries on airplanes, with more than a third feeling that more should be done to ensure passenger safety. *Id.*

Safety measures to prevent these accidents are imperative. The use of separators that prevent battery fires in the first place—while still permitting high performance—is far preferable to regulations or restrictions on passengers traveling with electronic devices. *See, e.g.*, EX1001, 3:16-51 (aiming to provide a porous film for use as a separator that provides "high safety performance" while "ensuring that the lithium-ion battery has a high rate performance"). There is, therefore, a compelling need to ensure that only truly deserving inventions receive exclusive rights in this burgeoning area of technology. Patents that seek to monopolize broad technological concepts and read on prior art stifle innovation and competition. Enforcement of these patents drives up the costs of safe batteries for consumers. The '148 Patent is one such undeserving monopoly.

Petitioner's batteries are a crucial commodity in the consumer-electronics market. Household names like HP and Apple have multi-million-dollar contracts with Petitioner to supply explosion-safe batteries for their devices. Allowing invalid patents to disrupt these supply chains and deprive these market-leading companies of their choice in batteries will ultimately hurt the economy and needlessly endanger

consumers. The PTAB should avert this outcome by instituting review of the challenged claims, and after evaluating patentability on the merits, finding all claims unpatentable.

G. Memo Factor 7: The Petition's reasonable number of Grounds is neutral.

The only issue PO raises under Memo Factor 7 is the "numeracy of grounds," as allegedly favoring discretionary denial. Br. at 33. The Petition presents eight grounds of unpatentability: six based on the primary reference Murakami combined with various secondary references and two based on Beard as a primary reference. Pet. at 15-16. The numeracy of these grounds is, if anything, average. And the fact that eight grounds demonstrate unpatentability of the claims—based on references never before the Examiner—only underscores the errors in prosecution and shines a spotlight on the reality that the claims are not valid.

In support of its argument that a large number of grounds supports discretionary denial, PO cites an outlier case where the invalidity grounds were voluminous and excessive. Br. at 33 (citing *Adaptics Ltd. v. Perfect Co.*, IPR2018-01596, Paper 20 at 17-18 (PTAB Mar. 6, 2019)). In that case, the petitioner presented "hundreds of possible combinations" due to the use of "and/or" with numerous references, including a "catch-all" ground that asserted two references (either or) in combination with a list of eight potential secondary references using and/or for the secondary references. *Adaptics*, IPR2018-01596, Paper 20 at 17-18. That very

different case, with remarkably different facts, is inapplicable here and does not compel a similar outcome.

IV. CONCLUSION

When the *Fintiv* Factors and other discretionary considerations are evaluated holistically to determine whether efficiency and integrity of the patent system are best served by denying or granting institution of this IPR, the answer is clear: the Director should not exercise discretion to deny institution.

Respectfully submitted,

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Date: June 6, 2025

CERTIFICATE OF WORD COUNT (37 C.F.R. § 42.24(d))

This Petitioner's Response to Patent Owner's Discretionary Denial Brief complies with the type-volume limitation of 14,000 words, comprising 8,230 words, excluding the parts exempted by 37 C.F.R. § 42.24(a)(1).

This Response complies with the general format requirements of 37 C.F.R. § 42.6(a) and has been prepared using Microsoft® Word in 14-point Times New Roman font.

Respectfully submitted,

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Date: June 6, 2025

CERTIFICATE OF SERVICE (37 C.F.R. §§ 42.6(e)), 42.105(a))

I certify that the above-captioned **PETITIONER'S RESPONSE TO PATENT OWNER'S DISCRETIONARY DENIAL BRIEF and EXHIBITS EX1018 through EX1028** were served in their entireties upon the Patent Owner on June 6, 2025, by email to the following addresses:

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