UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CAMBRIDGE INDUSTRIES USA, INC.,

Petitioner,

v.

APPLIED OPTOELECTRONICS, INC.,

Patent Owner.

Case IPR2025-00433
Patent No. 9,523,826

PATENT OWNER'S REQUEST TO DIRECTOR FOR DISCRETIONARY DENIAL OF PETITION FOR *INTER PARTES* REVIEW OF U.S. PATENT 9,523,826

(Pursuant to Director's Memorandum of March 26, 2025)

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EXHIBITS

Exhibit No.	Description
2001	Acting Director Stewart's March 26, 2025 Memorandum entitled "Interim Processes for PTAB Workload Management"
2002	CIG USA's Invalidity Contentions in *Applied Optoelectronics, Inc. v. Cambridge Industries USA, Inc.*, case no. 3-24-cv-01010-JD (N.D. CA)
2003	Scheduling Order in *Applied Optoelectronics, Inc. v. Accelight Technologies, Inc*., case no. 4:24-cv-09041-HSG (N.D. CA)

I. INTRODUCTION

This request is submitted by Patent Owner Applied Optoelectronics, Inc. ("AOI") to the Director of the U.S. Patent and Trademark Office ("USPTO") pursuant to the Director's Memorandum "Interim Processes for PTAB Workload Management" dated March 26, 2025 (the "March 26, 2025 Memorandum", Exhibit 2001). This is AOI's separate brief, pursuant to the March 26, 2025 Memorandum, requesting a discretionary denial of the Petition of Cambridge Industries USA, Inc. ("Petitioner" or "CIG USA") for *inter partes* review ("IPR") of U.S. Patent No. 9,523,826 entitled "Pluggable Optical Transceiver Module" ("the '826 Patent") (the "Petition"). This brief is timely as it is submitted within two months of the February 28, 2025 date on which the PTAB entered its Notice of Filing Date Accorded to Petition.[1]

Pursuant to the March 26, 2025 Memorandum and the relevant factors, the Director should exercise their discretion and deny institution of *inter partes* review ("IPR") of the '826 Patent.

[1] AOI will separately file its Patent Owner's Preliminary Response by the due date of May 28, 2025.

II. FACTUAL BACKGROUND

A. The ’826 Patent

The application for the ’826 Patent was filed on October 2, 2014 as application no. 14/504,500 with nine claims, including two independent claims.

During prosecution, in a non-final Office Action mailed March 31, 2016, the Office rejected both independent claims and several dependent claims as anticipated under 35 U.S.C. § 102(a)(1) by U.S. Patent Application Publication no. 2011/0081114 to Togami, et al (“Togami”). The Office also rejected several dependent claims under 35 U.S.C. § 103 as obvious over Togami in view of U.S. Patent No. 7,201,520 to Mizue, et al (“Mizue”). On August 1, 2016, AOI filed an amendment amending the two independent claims to add limitations from two dependent claims, and canceling the two dependent claims. A Notice of Allowance was mailed on August 12, 2016.

The ’826 Patent issued on December 20, 2016, with seven claims, including two independent claims.

B. The Litigation Between AOI and Petitioner

On February 20, 2024, AOI filed a lawsuit against Petitioner for patent infringement entitled *Applied Optoelectronics, Inc. v. Cambridge Industries, Inc.*, case no. 3:24-cv-01010-JD (N.D. CA) (the “Litigation”). The complaint alleges

that Petitioner infringes eight of AOI's patents, including the '826 Patent. AOI filed a First Amended Complaint on April 25, 2024.

On May 16, 2024, the parties exchanged initial disclosures. On June 6, 2024, AOI served its infringement contentions, stating that Petitioner infringes claims 1-7 of the '826 patent. On October 15, 2024, Petitioner served its amended invalidity contentions. Exhibit 2002. Petitioner's contentions stated that claims 1-7 are invalid under either § 102 or § 103 based on five grounds, the following grounds of which are relevant here: (1) anticipated by or obvious over China patent CN 201820017 to Chao Wu (which Petitioner refers to in the Litigation as "Chao" and in the Petition as "Wu"); (2) anticipated by or obvious over Togami; and (3) obvious over Togami in view of Mizue.

On August 8, 2024, the District Court entered its scheduling order setting the following pre-trial dates: a claim construction hearing on April 10, 2025, fact discovery cut-off on September 29, 2025, expert discovery cut-off on December 29, 2025, dispositive motion cut-off on January 28, 2026, and pre-trial conference on May 21, 2026. The court set a jury trial for June 8, 2026.

On November 7, 2024, Petitioner filed its answer and counterclaims against AOI. In its counterclaims, Petitioner alleges that each of the eight patents-in-suit is invalid. On November 15, 2024, AOI filed its answer to the counterclaims.

Pursuant to the District Court's Scheduling Order, between October 2024 and March 2025, AOI and Petitioner exchanged proposed terms for claim construction, exchanged preliminary claim constructions and extrinsic evidence, filed a joint claim construction statement and pre-hearing statement, exchanged damage contentions, and filed opening, responsive, and reply claim construction briefs.

On March 19, 2025, AOI and Petitioner jointly filed a Notice to Court of Filing of Petitions for *Inter Partes* Review, informing the District Court that Petitioner had filed petitions for IPR of five of the eight patents-in-suit. On April 4, 2025, the District Court issued an order staying the case pending further order, vacating the claim construction hearing set for April 10, 2025, and requiring the parties to file joint status reports on the status of the PTAB proceedings every 90 days beginning on July 7, 2025.

C. The Additional Litigation Involving the '826 Patent

In addition to the litigation against Petitioner, AOI has filed another patent infringement suit against another defendant, Accelight Technologies, Inc., entitled *Applied Optoelectronics, Inc. v. Accelight Technologies, Inc*., case no. 4:24-cv-09041-HSG (N.D. CA). The complaint, filed on December 13, 2024, alleges infringement of the '826 Patent and five other AOI patents. Of the five other

patents in the *Accelight* case, four are also the subject of the Litigation, and those four are the subject of separate petitions for IPR that Petitioner filed on January 17, 2025, the same day that Petitioner filed the Petition that is the subject of this request.[2] Thus, the Litigation with Petitioner and the *Accelight* case share five patents-in-suit, all of which are the subject of separate petitions for IPR that Petitioner filed in January 2025.

On March 28, 2025, AOI and defendant Accelight jointly filed a Notice to Court of Filing of Petitions for *Inter Partes* Review, informing the District Court that Petitioner had filed petitions for IPR of five of the six patents-in-suit. In the Joint Case Management Statement, defendant Accelight stated that one of the issues in the case was whether the asserted claims of the patents-in-suit were invalid. At the case management conference held on April 22, 2025, the court indicated that the case would move forward, and stated that it would set claim construction deadlines.

[2] AOI is filing Requests to the Director for Discretionary Denial of Petitioner's other four Petitions for IPR on grounds similar to this Request on the same day as this Request is filed.

On April 23, 2025, the court entered a Scheduling Order which set the following dates: invalidity contentions and documents on May 30, 2025; exchange of proposed terms for claim construction on June 13, 2025; exchange of preliminary constructions and extrinsic evidence on July 7, 2025; damages contentions on July 22, 2025; a Joint Claim Construction Statement and Prehearing Statement to be filed on July 30, 2025; claim construction discovery cut-off on August 29, 2025; opening, responsive, and reply claim construction briefs to be filed on September 16, 2025, September 30, 2025, and October 7, 2025, respectively; a technical tutorial on October 17, 2025; and a claim construction hearing on October 31, 2025. *See* Exhibit 2003.

D. The Petition for *Inter Partes* Review

On January 17, 2025, 11 months after AOI filed its complaint in the Litigation and seven months after AOI served its infringement contentions in the Litigation, Petitioner filed its Petition for IPR of the ’826 Patent, PTAB Case IPR2025-00433. On the same date, Defendant also filed petitions for IPR of four of the other AOI patents-in-suit: U.S. Patent Nos. 10,313,024; 10,788,690; 10,379,301; and 10,042,116.

In the Petition for IPR of the ’826 patent, Petitioner challenges claims 1-7. Petitioner asserts two grounds of invalidity: (1) that claims 1-7 are anticipated by

Wu (China patent CN 201820017); and (2) that claims 1-7 are anticipated by Mizue (U.S. Patent No. 7,201,520).

The Petition relies on the 50-page declaration of Petitioner's expert, Dr. Andrew G. Kirk. Petitioner's other four petitions for IPR of the other four patents also rely on a declaration of Dr. Kirk.

On February 28, 2025, the PTAB issued its Notice of Filing Date Accorded to Petition and Time for Filing Patent Owner Preliminary Response (Paper 3).

Pursuant to the Notice of Filing Date, Patent Owner's Preliminary Response is due three months from the Notice date, by May 28, 2025. Pursuant to the PTAB's "Consolidated Trial Practice Guide – November 2019," the PTAB will determine whether to institute an IPR within three months of the date the Patent Owner's Preliminary Response was filed or was due, by about August 28, 2025. Pursuant to 35 U.S.C. § 316(a)(11), the PTAB will set the trial date for the IPR within one year of the notice of institution, no later than about August 28, 2026.

III. INSTITUTION OF *INTER PARTES* REVIEW SHOULD BE DENIED PURSUANT TO THE DIRECTOR'S DISCRETION.

The Director should exercise their discretion pursuant to the Memorandum of March 26, 2025 and deny institution of IPR on the '826 Patent. The following factors support a discretionary denial:

- Art relied upon in the Petition was also relied upon by the USPTO (the "Office") in rejecting claims during prosecution.
- There is significant overlap between the issues in the Petition and in the Litigation. The same claims are challenged, and the grounds, the art, and the arguments are substantially the same in the Petition as in the Litigation. All of the art relied upon in the Petition is also relied upon by Petitioner in the Litigation.
- There has been significant investment in the Litigation in that substantive issues have already been addressed by the parties.
- There are settled expectations in the enforcement of the '826 Patent in that the patent has been in force for over eight years.
- Petitioner's arguments on unpatentability are weak.
- The Petition relies heavily on the declaration of an expert.
- Petitioner and the defendant are the same party.
- The '826 Patent is one of the patents-in-suit in the Additional Litigation between AOI and defendant Accelight, and claim construction and the validity of the '826 Patent may well be adjudicated before the PTAB's decision in an IPR would be due.
- There are no relevant changes in the law that affect patentability.

- Four of the other five patents asserted by AOI in the Litigation are each the subject of an IPR filed by Petitioner on the same date as this Petition.

Each of these factors is discussed separately below in sections A through J.

A. The Petition is Based in Part on Art Relied Upon by the Office in Rejecting Claims.

The Director may consider whether the same or substantially the same prior art or arguments were previously before the Office during prosecution. 35 U.S.C. § 325(d); *Advanced Bionics, LLC v. Med-El Elektromedizinische Gerate GMBH,* IPR2019-01469, Paper 6, pp.7-8 (Feb. 13, 2020) (precedential); *General Plastic Industrial Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19, p. 17 (Sept. 6, 2017) (precedential).

Pursuant to § 325(d), the Board uses a two-part test for this factor: (1) whether the same or substantially the same art or arguments were previously presented to the Office; and, if the first part is met, (2) whether the petitioner has shown that the Office erred in a material way with respect to patentability. *Advanced Bionics, supra,* at p. 8. If the first part is met, and the petitioner does not demonstrate material error by the Office, "the Director generally will exercise discretion not to institute IPR." *Id*. at p. 9.

> "If reasonable minds can disagree regarding the purported treatment of the art or arguments, it cannot be said that the Office erred in a manner material to patentability. At bottom, this framework reflects a commitment to defer to previous Office evaluations of the evidence of record unless material error is shown."

Id.

The Board may use the *Becton, Dickinson* factors (*Becton, Dickinson and Company v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8, pp. 17-18 (December 15, 2017) (precedential section)) to apply the two-part *Advanced Bionics* test. *Advanced Bionics, supra*, at p. 9. These factors are non-exclusive and are to be "read broadly" (*id*. at p. 10): (a) the similarities and differences between the asserted art and the prior art involved during examination; (b) the cumulative nature of the asserted art and the prior art evaluated during examination; (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection; (d) the extent of the overlap between the arguments made during examination and the manner in which the petitioner relies on the prior art; (e) whether the petitioner has pointed out sufficiently how the examiner erred in their evaluation of the asserted prior art; and (f) the extent to which additional evidence and facts presented in the petition justifies reconsideration of the prior art or arguments. According to *Advanced Bionics*, factors (a), (b), and (d) are used to determine if the same or substantially the same art or arguments were previously presented to the Office.

Factors (c), (e), and (f) are then applied to determine if the petitioner has shown that the Office made a material error. *Id*.

Here, Petitioner makes two arguments for invalidity of claims 1-7: (1) anticipation under section 102 based on Wu (China patent CN 201820017); and (2) anticipation under section 102 based on Mizue (U.S. Patent No. 7,201,520).

With respect to Mizue, the first part of the *Advanced Bionics* test is met because the same or substantially the same art was previously presented to the Office. During prosecution, in the first and only Office Action, the Office rejected all claims under section 103 as obvious over Togami in view of Mizue. Thus, Mizue was clearly considered, and, more importantly, relied upon, by the Office in making the rejection. Petitioner notes that Mizue was the secondary reference used in combination with Togami; however, this does not change the fact that Mizue was before the Office and relied upon in rejecting claims.

The second part of the *Advanced Bionics* test is also met. Factor (c) is present because the Office evaluated Mizue in that it relied on Mizue to reject claims. Factor (e) is not present or satisfied by Petitioner because Petitioner has not shown that the Office made a material error in evaluating Mizue. Petitioner relies on its expert, who states: "in my opinion, it would have been abundantly plain to a POSITA that the Patent Owner' alleged 'defect' in Mizue could be

remedied, as a simple matter of design choice, by making the U-shaped cut in the wall of arm 20a from the direction of the inserted part ….." Declaration of Andrew G. Kirk in Support of Petition, p. 43, para. 92 (emphasis added). However, Petitioner has failed to show how the Office erred in not finding the claims anticipated as Petitioner's expert opines. Given that Petitioner's argument is based on an opinion about a design choice, then "reasonable minds can disagree regarding the purported treatment of the art ….. [and] it cannot be said that the Office erred in a manner material to patentability." *See, Advanced Bionics, supra,* at p. 9. Factor (f) is not present or satisfied by Petitioner because Petitioner offers no other evidence to justify reconsideration of the prior art or arguments.

With respect to Petitioner's grounds that the claims are anticipated by Wu, this reference was not before the Office. However, Petitioner uses Wu to make the same argument it is making with Mizue. Therefore, Wu would have been cumulative. *See,* Section III E below. Thus, Wu does not change the conclusion that substantially the same art and arguments were previously presented to the Office, and Petitioner cannot show material error by the Office.

Therefore, pursuant to *Advanced Bionics,* the Director should exercise their discretion and deny institution of IPR based on this factor.

B. The Issues in the Petition Have Significant Overlap with the Issues in the Litigation.

The Director may consider whether there is significant overlap between the issues raised in the Petition and in the Litigation. *See Apple Inc. v. Fintiv, Inc*., IPR2020-00019, Paper 11, p. 6 (March 20, 2020) (precedential). "[I]f the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial."

Here, there is significant overlap in the issues raised in the Petition and in the Litigation; in fact, the issues in the Petition are a subset of the issues in the Litigation.

First, the same claims are challenged in the Petition as are challenged in the Litigation: claims 1-7.

Second, all of the art relied upon in the Petition (Wu and Mizue) is relied upon in the Litigation.[3] The art at issue in the Petition is a subset of the art at issue in the Litigation.

[3] As noted above, Petitioner refers to China patent CN 201820017 as "Wu" in the Petition, but refers to the same patent as "Chao" in the Litigation. The CN 201820017 patent lists Chao Wu as the inventor; it is the same patent.

Third, the two grounds for invalidity in the Petition are the same or substantially the same as two of the several grounds asserted in the Litigation. In the Petition, Petitioner argues that claims 1-7 are anticipated by Wu; in the Litigation, Petitioner argues that claims 1-7 are anticipated by or obvious over Chao, which is the same patent. In the Petition, Petitioner argues that claims 1-7 are anticipated by Mizue; in the Litigation, Petitioner argues that claims 1-7 are obvious over Togami in view of Mizue (which is the same combination the Office relied upon in its obviousness rejection in the first Office Action). The grounds at issue in the Petition are a subset of the grounds at issue in the Litigation.

Fourth, the arguments in the Petition are substantially the same as the arguments in the Litigation. Petitioner's arguments as to where the claim limitations are found in the prior art, on a limitation-by-limitation basis, are essentially the same in both proceedings. This is demonstrated by a comparison of the Declaration of Andrew G. Kirk in Support of Petition (pp. 25-36 as to Wu and pp. 36-49 as to Mizue) filed in the PTAB with Petitioner's Amended Invalidity Contentions and claim charts filed in the Litigation (Exhibit 2002, Ex. B-1 as to Wu and Ex. B-4 as to Togami in view of Mizue).

Thus, the challenged claims are the same; the grounds are the same or substantially the same; the art is the same or substantially the same; and the

arguments are substantially the same. Moreover, the Litigation involves three other references and three additional grounds not asserted in the Petition: that claims 1-7 are anticipated by Togami, that claims 1-7 are anticipated by or obvious over the Oclaro packaging, and that claims 1-7 are anticipated by or obvious over Hiroyoshi. And the Litigation also involves seven other patents. Thus, the issues in the Petition are a subset of the issues in the Litigation; meaning that the Litigation will need to go forward regardless of whether IPR is instituted. The fact that the Litigation involves additional challenges to the '826 Patent weighs in favor of a denial. *See, Next Caller Inc. v. Trustid, Inc*., IPR 2019-00963, Paper 8, p. 12 (October 28, 2019) (informative).

Accordingly, this factor favors denial of institution.

C. The Parties Have Invested in the Litigation by Addressing Substantive Issues.

Pursuant to the District Court's Scheduling Order, between October 2024 and March 2025, AOI and Petitioner exchanged proposed terms for claim construction, exchanged preliminary claim constructions and extrinsic evidence, filed a joint claim construction statement and pre-hearing statement, exchanged damage contentions, and filed opening, responsive, and reply claim construction briefs.

Thus, the parties have spent significant time and effort in conducting discovery, in the claim construction process, and in briefing claim construction.

This factor weighs in favor of denial of institution.

D. <u>There Are Settled Expectations in the '826 Patent</u>.

The '826 Patent was issued on December 20, 2016. The patent has been in force for over eight years, almost one half of the life of the patent. Thus, there are settled expectations of the parties that the '826 Patent is valid and enforceable.

This factor weighs in favor of denial of institution. See, Director's March 26, 2025 Memorandum, Exhibit 2001, p. 2.

E. <u>Petitioner's Arguments on Unpatentability are Weak</u>.

The Director may consider the strength of the petitioner's unpatentability challenge in determining whether to discretionarily deny institution of IPR. Director's March 26, 2025 Memorandum, Exhibit 2001, p. 2; *Apple Inc. v. Fintiv, Inc*., *supra,* pp. 14-15. If the merits are a "close call," that fact weighs in favor of denying institution if other factors favoring denial are present. *Id*. at p. 15.

Here, Petitioner alleges anticipation based on Wu (Ground 1) and anticipation based on Mizue (Ground 2). However, Petitioner is unlikely to succeed on the merits under either Ground 1 or Ground 2 because neither reference

discloses all the limitations of any claim of the ‘826 Patent.[4]

1. Ground 1: Wu Does Not Anticipate the ’826 Patent Because It Fails to Disclose All the Limitations of Any Claim.

Wu fails to disclose all the limitations of any claim of the ’826 Patent. For example, Wu does not disclose “two bottom surfaces forming the two sliding slots, respectively, the two bottom surfaces are parallel to the two side surfaces” as required by claims 1-7.

Independent claim 1 requires “the main body has at least one limiting space and two bottom surfaces forming the two sliding slots, respectively, the two bottom surfaces are parallel to the two side surfaces, the at least one limiting space is located at one of the two side surfaces.”

Claims 2-6 depend from claim 1 and thus also contain this limitation.

Similarly, independent claim 7 requires “the main body has at least one limiting space and two bottom surfaces forming the two sliding slots, respectively,

[4] For purposes of this Request to the Director for Discretionary Denial, AOI will only discuss a few specific examples of limitations the cited refences fail to disclose.

the two bottom surfaces are parallel to the two side surfaces, the at least one limiting space is located at one of the two side surfaces."

As shown in the '826 Patent's FIG. 3 below (annotated to add the X, Y, and Z axes for reference) and FIG. 4A, each bottom surface 141 is parallel to corresponding side surface 130. For purposes of illustration only, the X and Y axes are formed at an angle of 90 degrees with respect to each other and form a plane. The Z axis is perpendicular to the plane formed by the X and Y axes.

Both bottom surface 141 and side surface 130 extend from the X-Y plane upward in the Z direction as shown. And bottom surface 141 and side surface 130 are parallel to each other as independent claims 1 and 7 require, stating "the two bottom surfaces are parallel to the two side surfaces."

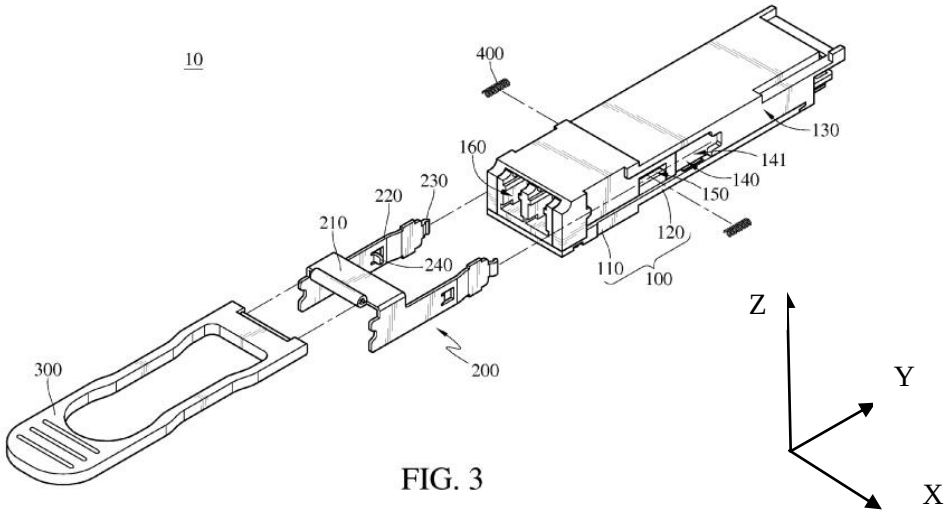


FIG. 3

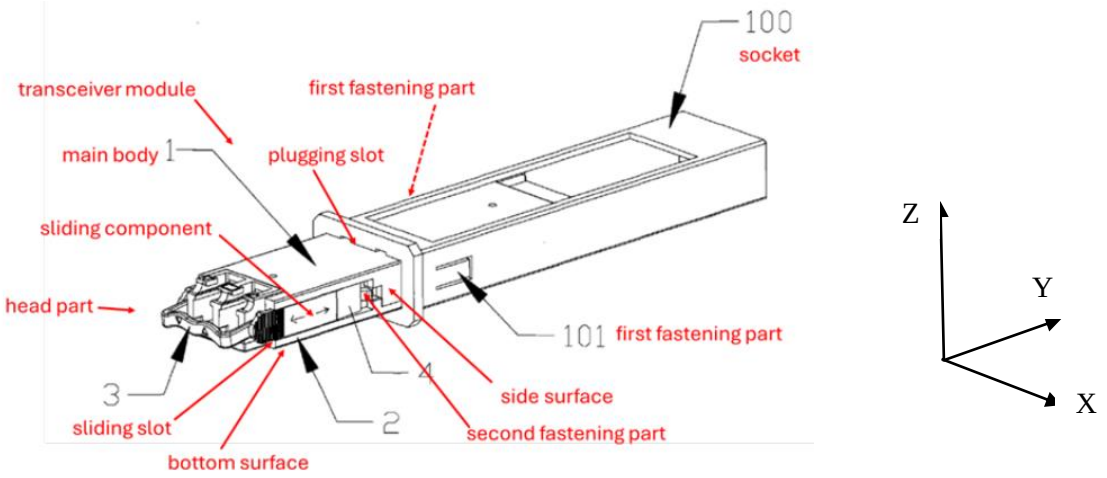
'826 Patent, FIG. 3 (annotated)

On page 15 of the Petition, Petitioner shows an annotated version of Wu's FIG. 2, which is reproduced below and further annotated as with the above figure to show the X, Y, and Z axes.

Wu does not disclose two bottom surfaces on the main body. Instead, in the annotated version of FIG.2 below, Petitioner points to a *single* surface in the *X-Y plane* as allegedly corresponding to the *two* claimed bottom surfaces 141. Petitioner then points to surfaces extending upward from the X-Y plane in the Z *axis* as the claimed side surfaces 130.

First, one surface does not meet the claims' requirement for two bottom surfaces. Second, the X-Y plane is perpendicular to the Z axis, not parallel as required in all claims of the '826 Patent. In Wu, the surface identified by Petitioner as the bottom surface is perpendicular – not parallel – to the surface identified by Petitioner as the side surface.

Therefore, Wu does not disclose the limitations of claims 1-7 requiring "the main body has at least one limiting space and two bottom surfaces forming the two sliding slots, respectively, the two bottom surfaces are parallel to the two side surfaces, the at least one limiting space is located at one of the two side surfaces."



Ex. 1005, FIG. 2 (annotated)

As a result, Wu does not anticipate the ’826 Patent. Therefore, for at least this reason, Petitioner is unlikely to succeed on the merits of Ground 1.

2. Ground 2: Mizue Does Not Anticipate the ’826 Patent Because It Fails to Disclose All the Limitations of Any Claim.

Mizue fails to disclose all the limitations of any claim of the ’826 Patent. As discussed in conjunction with Ground 1, independent claim 1 requires “the main body has at least one limiting space and two bottom surfaces forming the two sliding slots, respectively, the two bottom surfaces are parallel to the two side surfaces, the at least one limiting space is located at one of the two side surfaces.”

Claims 2-6 depend from claim 1 and thus also contain this limitation.

Similarly, independent claim 7 requires “the main body has at least one limiting space and two bottom surfaces forming the two sliding slots, respectively,

the two bottom surfaces are parallel to the two side surfaces, the at least one limiting space is located at one of the two side surfaces."

As shown in the '826 Patent's FIG. 3 (annotated to add the X, Y, and Z axes for reference) and FIG. 4A, bottom surface 141 is parallel to corresponding side surface 130. For purposes of illustration only, the X and Y axes are formed at an angle of 90 degrees with respect to each other and form a plane. The Z axis is perpendicular to the plane formed by the X and Y axes.

Both bottom surface 141 and side surface 130 extend from the X-Y plane upward in the Z direction as shown. And bottom surface 141 and side surface 130 are parallel to each other and as claims 1 and 7 require, stating "the two bottom surfaces are parallel to the two side surfaces."

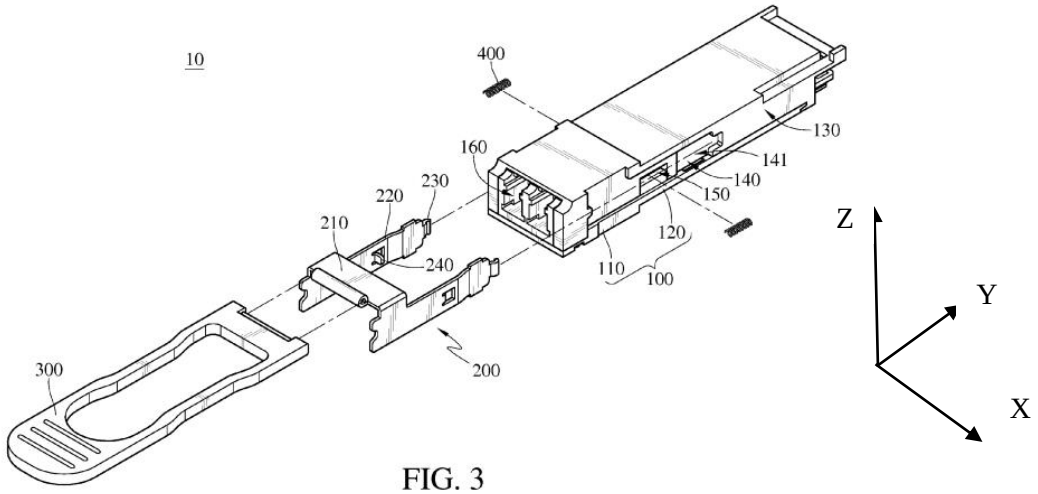


FIG. 3

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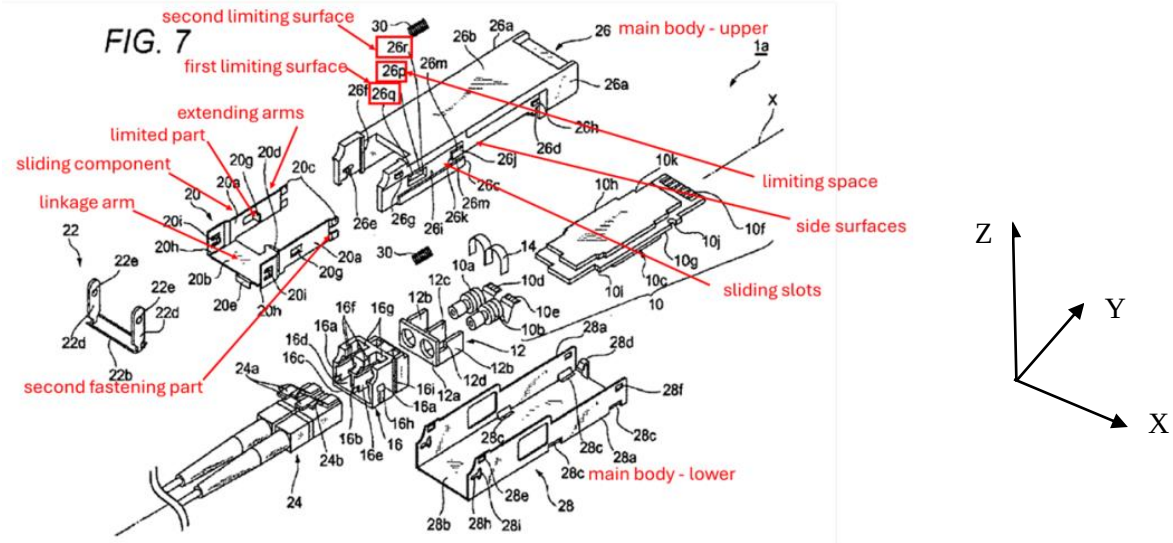
'826 Patent, FIG. 3 (annotated)

On page 24 of the Petition, Petitioner shows an annotated version of Mizue's FIG. 7, which is reproduced below and further annotated as with the other figures above to show the X, Y, and Z axes.

Petitioner points to a *single* surface in the *X-Y plane* as allegedly corresponding to the *two* claimed bottom surfaces 141. Specifically, Petitioner identifies surface 28b in Mizue's FIG. 7 as allegedly corresponding to the two claimed bottom surfaces 141. *See* Petition, pp. 24-25. As shown in Petitioner's annotated version of Mizue's FIG. 7, Petitioner points to surfaces extending from the X-Y plane in the Z direction as the claimed side surfaces 130. *See* Petition, p. 24.



Ex. 1007, FIG. 7 (annotated)

First, one surface does not meet the claims' requirement for two bottom surfaces. Second, the X-Y plane is perpendicular to the Z axis, not parallel as required in all claims of the '826 Patent. In Mizue, the surface identified by Petitioner as the bottom surface is perpendicular – not parallel – to the surface identified by the Petitioner as the side surface.

Therefore, this does not meet the required limitation that "the main body has at least one limiting space and two bottom surfaces forming the two sliding slots, respectively, the two bottom surfaces are parallel to the two side surfaces, the at least one limiting space is located at one of the two side surfaces."

Therefore, petitioner has not shown that Mizue anticipates the '826 Patent. For at least these reasons, Petitioner is unlikely to succeed on the merits of Ground 2.

F. The Petition Relies Almost Exclusively on the Declaration of an Expert.

An over-reliance on expert testimony may weigh in favor of discretionary denial of an IPR. *See*, *Next Caller Inc., supra*, p. 14 (informative); see also, Director's March 26, 2025 Memorandum, Exhibit 2001, p. 2. The Petition is based almost exclusively on the Declaration of Andrew Kirk, Petitioner's expert (Exhibit 1003 to the Petition). As can be seen from the Petition, every limitation of every challenged claim cites to Exhibit 1003 (see Petition, pp. 14-24 for Wu and pp. 24-

34 for Mizue), and the Declaration of Dr. Kirk discusses every limitation of every claim (see Kirk Declaration, Ex. 1003, pp. 25-36 for Wu and pp. 36-49 for Mizue).

Accordingly, this factor weighs in favor of denial.

G. Petitioner and the Defendant Are the Same Party.

Here, the fact that Petitioner and the Defendant in the Litigation are the same party weighs in favor of denial of institution. *See Apple Inc. v. Fintiv, Inc., supra,* pp. 13-14.

H. The Validity of the '826 Patent May Be Adjudicated by a District Court Before the PTAB's Decision Is Due if IPR is Instituted.

The Director may consider whether another forum has already adjudicated the validity of the challenged claims in determining whether to discretionarily deny institution of IPR. Director's March 26, 2025 Memorandum, Exhibit 2001, p. 2.

Here, the '826 Patent is one of the patents-in-suit in the Additional Litigation between AOI and defendant Accelight, filed on December 13, 2024. As noted above, five of the six patents-in-suit in the Additional Litigation are also in suit in the Litigation with Petitioner and are the subject of petitions for IPR filed by Petitioner. In the Additional Litigation, the District Court has ordered the case to move forward, despite the parties' notifying the court that five of the six patents-in-suit are the subject of petitions for IPR filed by Petitioner. On April 23, 2025, the court entered a Scheduling Order which set all of the dates pertaining to claim

construction between June 2025 and October 2025 (exchange of proposed terms, exchange of preliminary constructions and extrinsic evidence, damages contentions, a Joint Claim Construction Statement and Prehearing Statement, claim construction discovery cut-off, opening, responsive, and reply claim construction briefs, and a technical tutorial), and set a claim construction hearing on October 31, 2025. Exhibit 2003.

Defendant Accelight has stated that the validity of the asserted claims of the patents-in-suit is in issue and that it will be taking discovery on invalidity. The court has set invalidity contentions and documents due on May 30, 2025.

Thus, the validity of the ’826 Patent may well be adjudicated in the Additional Litigation before the PTAB’s decision in an IPR, which would be due on or about August 28, 2026 if IPR is instituted. Accordingly, this factor weighs in favor of denial.

I. There Are No Relevant Changes in the Law that Affect Patentability.

There have been no changes in the law or judicial precedent regarding patentability since the ’826 Patent issued. Accordingly, this factor weighs in favor of denial of institution. *See*, Director’s March 26, 2025 Memorandum, Exhibit 2001, p. 2.

J. Petitioner Filed Petitions for IPR for Four of the Other Patents Asserted by AOI in the Litigation on the Same Date as this Petition.

The Director may consider all relevant circumstances in determining whether to discretionarily deny institution of IPR. Director's March 26, 2025 Memorandum, Exhibit 2001, p. 3; *Apple Inc. v. Fintiv, Inc.*, *supra*, p. 14. The Litigation involves eight AOI patents, five of which are the subject of petitions for IPR filed by Petitioner, including the '826 Patent. These facts indicate that Litigation will need to go forward regardless of the petitions for IPR. Therefore, it would be more efficient for the validity of the '826 Patent to be resolved in the Litigation, and the PTAB could conserve its resources by denying institution. *See*, *Next Caller Inc., supra*, p. 14, fn. 13, with similar facts (informative). Therefore, this factor weighs in favor of denial.

IV. CONCLUSION

For the reasons set forth above, the Director should exercise their discretion pursuant to the Memorandum of March 26, 2025 and deny institution of IPR on the ’826 Patent.

Dated: April 28, 2025 */Jo Dale Carothers/*

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CERTIFICATE UNDER 37 C.F.R. SECTION 42.24

AOI certifies that the word count in this Request, as determined by the Microsoft Word word-processing system is 5,221 words. This Request is in compliance with the 14,000-word limit pursuant to the Director's Memorandum of March 26, 2025 and 37 C.F.R. §42.24.

Dated: April 28, 2025

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CERTIFICATE OF SERVICE

The undersigned hereby certifies service on the Petitioner, pursuant to 37 C.F.R. §42.6(e) and by agreement of counsel, by electronic (e-mail) delivery of a true copy of the foregoing **PATENT OWNER'S REQUEST TO DIRECTOR FOR DISCRETIONARY DENIAL OF PETITION FOR *INTER PARTES* REVIEW OF U.S. PATENT 9,523,826 (Pursuant to Director's Memorandum of March 26, 2025)**, which was served on April 28, 2025 to the following Counsel for Petitioner via e-mail:

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