

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Caihong Display Devices Co., Ltd.,

Petitioner,

v.

Corning Incorporated,

Patent Owner.

Case No.: IPR2025-00439

U.S. Patent No. 7,851,394

**PETITIONER’S OPPOSITION TO PATENT OWNER’S
DISCRETIONARY DENIAL BRIEF**

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Patent Trial and Appeal Board

U.S. Patent and Trademark Office

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EX1001	U.S. Patent No. 7,851,394 (the “’394 Patent”)
EX1002	Prosecution History of the ’394 Patent
EX1003	Declaration of Dr. Frank Ernst
EX1004	JP2004-189535A (“Miwa”) certified translation
EX1005	US5824127 (“Bange”)
EX1006	W. Vogel, <i>Glass Chemistry</i> , 2 nd Ed., Chapter 4: Classical Theories of Glass Structure, Springer-Verlag (1994)
EX1007	A.K. Varshneya, <i>Fundamentals of Inorganic Glasses</i> , Chapter 5: Glass Compositions and Structures, Academic Press (1994)
EX1008	Dr. Ashutosh Goel <i>Curriculum Vitae</i>
EX1009	Case Report: <i>Corning Incorporated v. Caihong Display Devices Co., Ltd. et al</i> , Case No. 1-24-cv-02328
EX1010	Eastern District of Virginia District TimeLine
EX1011	Dr. Frank Ernst <i>Curriculum Vitae</i>

I. INTRODUCTION

The Petition should be granted and a trial instituted because the PTAB serves as the most efficient forum for determining patentability for U.S. Patent No. 7,851,394 (the “’394 Patent”) and represents the only forum in which Petitioner can obtain complete relief. Discretionary denial is therefore not appropriate.

With respect to 35 U.S.C. § 325(d), the primary reference relied upon in the Petition, *viz.*, Miwa, was not fully presented to the Examiner for consideration during prosecution, as evidenced by the fact that the examples which were omitted from the translation provided to the Examiner clearly anticipate at least two claims and render obvious the remaining claims. If the Examiner had properly understood Miwa and fully appreciated the glass compositions disclosed therein when assessing patentability, as Patent Owner contends, then the Examiner would have recognized that at least Claims 1 and 3 were anticipated by Miwa. That, however, did not happen.

As to the *Fintiv* factors, the parallel litigation in the Eastern District of Virginia has already been stayed, a trial date has yet been set, no depositions have occurred, and the litigation has not even proceeded beyond the pleading stages, much less reached a *Markman* hearing. In addition, the pending ITC Action is not dispositive as to discretionary denial as only a subset of claims (i.e., two) are at issue in the ITC

and more significantly, the ITC does not have patent invalidation authority. The *Fintiv* factors therefore support institution and will further the Board’s objectives to advance “efficiency, fairness, and the merits.” *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, at 6 (Mar. 20, 2020) (precedential).

II. REASONS WHY THE BOARD SHOULD NOT EXERCISE ITS DISCRETION TO DENY INSTITUTION

A. DISCRETIONARY DENIAL UNDER § 325(d) OR § 314 IS NOT WARRANTED

Petitioner has not been involved in any previous review of the ‘394 Patent.

1. § 325(d) does not provide a basis to deny the Petition.

Although the principal reference on which the Petition relies for Grounds 1 and 2, Miwa, is cited on the face of the ‘394 patent, it was never discussed, addressed, or otherwise relied upon by the Examiner during prosecution. *See* EX1002. Rather, Miwa was merely cited by the applicant in a Supplemental Information Disclosure Statement filed on August 4, 2008, after the issuance of a first Office Action. EX1002, 000177. And, as discussed below, it is clear that the Examiner overlooked the specific examples disclosed by Miwa. *See Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 10 (PTAB Feb. 13, 2020) (precedential) (“[I]f the record of the Office’s previous consideration of the art is not well developed or silent, then a petitioner may show the Office erred by overlooking something.”).

When considering whether the same or substantially the same prior art or arguments were previously presented to the Office in the context of discretionary denial, the Board has evaluated the following factors: “(a) the similarities and material 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 Petitioner relies on the prior art or Patent Owner distinguishes the prior art; (e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and (f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments.” *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 (PTAB Dec. 15, 2017) (precedential as to § III.C.5, first paragraph). Petitioner will address these factors in turn.

First, as to the material differences between the prior art relied on in the Petition and that involved during examination, although Miwa was cited in an IDS during examination, Miwa is written in Japanese and only a partial translation of that Japanese-language document was provided to the Examiner. *See* EX1002, 000194-000226. Significantly, the specific examples that anticipate or render obvious the

challenged claims were not included in the English language version of Miwa. *Compare* EX1002 at 000164, 000177, 000194-000226 *and* EX1004. The partial translation of Miwa was simply not sufficient for the Examiner to properly understand its relevance to the claims of the '394 patent. *See Semiconductor Energy Lab'y Co. v. Samsung Elecs. Co.*, 204 F.3d 1368, 1377 (Fed. Cir. 2000), *amended* (Apr. 5, 2000) (“We perceive no clear error in the district court’s conclusion that SEL effectively failed to disclose the Canon reference to the PTO by providing a one-page, partial translation of the entire 29–page application. By submitting the entire untranslated Canon reference to the PTO along with a one-page, partial translation focusing on less material portions and a concise statement directed to these less material portions, SEL left the examiner with the impression that the examiner did not need to conduct any further translation or investigation.”).

Second, the portions of Miwa being relied upon by Petitioner are not cumulative to the prior art considered by the Examiner during prosecution. Rather, those portions were omitted—likely deliberately given their obviously high relevance to at least claims 1 and 3—from the English-language version of Miwa that applicant provided to the Examiner. *Compare* EX1002 at 000164, 000177, 000194-000226 *and* __EX1004 .

Third, with respect to *Becton Dickinson* factor (c), Miwa never formed the basis of any rejection issued by the Examiner during prosecution. *See* EX1002.

Indeed, Miwa was never even mentioned during prosecution of the '394 patent. *See id.*

Fourth, although the claims of the '394 patent were rejected during prosecution as being anticipated by and/or obvious over the prior art, Miwa was not cited or relied upon by the Examiner in making those rejections and was never specifically addressed during prosecution. *See* EX1002. Accordingly, other than the statutory bases therefor, there is no overlap between the arguments presented during prosecution and the manner in which Petitioner relies upon the prior art.

Fifth, with respect to *Becton Dickinson* factor (e), Miwa discloses at least one specific example of a glass (Embodiment 20) having a metal oxide composition that falls within the ranges recited in claims 1 and 3 of the '394 patent. *See* EX1003 at ¶ 54. To realize that, however, the weight percentage values shown in Miwa's Table 5 must first be converted into mole percentage values:

	Embodiment				
	16	17	18	19	20
Composition (mass percent)					
SiO ₂	63.0	59.5	62.0	61.1	64.0
Al ₂ O ₃	16.0	18.0	17.0	17.5	15.5
B ₂ O ₃	9.5	10.5	10.0	9.5	9.0
MgO	—	—	0.3	—	0.7
CaO	9.0	8.0	8.5	5.5	6.5
SrO	1.0	—	0.5	3.5	2.0
BaO	0.5	3.0	1.5	0.5	—
ZnO	0.5	0.5	—	1.0	1.0
ZrO ₂	—	0.2	—	0.3	0.5
SnO ₂	0.15	0.15	0.15	0.1	0.1
As ₂ O ₃	—	—	—	—	—
Sb ₂ O ₃	0.25	0.15	—	0.9	0.4
Cl	0.1	—	0.05	0.1	0.3
All Fe ₂ O ₃	0.010	0.010	0.01	0.015	0.015
Transmittance (%) 300 nm	72	71	71	66	65
400 nm	91	91	91	91	91
600 nm	92	92	92	91	91
800 nm	92	92	92	92	92
Density (g/cm ³)	2.42	2.43	2.40	2.43	2.41
Coefficient of thermal expansion [30-380°C] (×10 ⁻⁷ /°C)	34	34	33	31	30
Strain point (°C)	677	680	682	686	685
Logn at 10 ^{-2.5} (°C)	1585	1520	1585	1560	1605
Liquid phase temperature (°C)	1095	1115	1100	1115	1045
Acid resistance	○	○	○	○	○
Buffered hydrofluoric acid resistance	○	○	○	○	○

And these mole percentage values yield a ratio of $\sum[\text{RO}]/[\text{Al}_2\text{O}_3]$ of 1.21. *Id.*

Comparing Miwa's mole percentage values as shown above to the ranges recited in claims 1 and 3 of the '394 patent unambiguously demonstrates that the former clearly lie within the latter:

Metal Oxide	Miwa	Claim 1	Claim 3
SiO ₂ :	69.80 mole%	64.0-71.0 mole%	64.0-71.0 mole%
Al ₂ O ₃ :	9.96 mole%	9.0-12.0 mole%	9.0-12.0 mole%
B ₂ O ₃ :	8.47 mole%	7.0-12.0 mole%	7.0-12.0 mole%
MgO:	1.14 mole%	1.0-3.0 mole%	1.0-3.0 mole%
CaO:	7.60 mole%	6.0-11.5 mole%	6.0-11.5 mole%
SrO:	1.26 mole%	0-2.0 mole%	0-2.0 mole%
BaO	0.0 mole%	0-0.1 mole%	0-0.1 mole%
As ₂ O ₃	0.0		at most 0.05 mol%

Id.

Miwa's ratio of 1.21 also falls within the ranges claimed in claims 1 and 3, *i.e.*, less than or equal to 1.25. *Id.*

The Examiner therefore erred by overlooking the fact that Miwa's Embodiment 20 anticipated at least claims 1 and 3 of the '394 patent. *See Sony Interactive Ent. LLC v. Bot M8, LLC*, IPR2020-00726, Paper 13 at 13 (PTAB Oct 6, 2020) (“[W]e determine that the information presented in the Petition indicates that the grounds involving Sugiyama are sufficiently strong such that, assuming Sugiyama was before the Office, the Examiner overlooked the specific teachings of Sugiyama in allowing the application to issue as a patent.”). This is very likely because the values shown in the Japanese-language original do not all clearly fall within the numerical ranges shown in claims 1 and 3. Rather, as described above, it is necessary to convert the weight percentage values in the Japanese-language original into mole percentage values as used in claims 1 and 3. One would not realize this, however, unless the header at the top of the Table that includes Embodiment 20 was translated—something which the Patent Owner studiously avoided doing during prosecution of the '394 patent.

Patent Owner's assertion that the “Examiner would have appreciated the totality of Miwa's disclosure based on the copy of Miwa and the machine translation of Miwa submitted by Patent Owner” (Paper No. 12 at p. 25-26) is, at best, sheer

speculation and is unsupported by the record. With respect to the former, Patent Owner's attempt to rely on the opinions of Dr. Brow is wholly inappropriate, since he is neither a patent examiner nor a patent agent and therefore has no basis for opining on what may or may not have occurred during prosecution of the '394 patent or what the Examiner may or may not have considered. And, with respect to the latter, as described above, it is clear that the Examiner did not fully appreciate what was shown in the untranslated portion of Miwa, including the composition of Example 15, since any reasonable examiner would have immediately recognized that the values disclosed in Example 15 of Miwa fell within the ranges recited in claims 1 and 3 of the '394 patent and, consequently, Example 15 clearly anticipated those claims.

Finally, with respect to *Becton Dickinson* factor (f), this Petition is supported by a complete, certified English language translation of Miwa—which shows that the values disclosed for Embodiments 15 and 20 are for weight percentage, not mole percentage, and so must be converted—and the declaration of Dr. Frank Ernst, an expert in the relevant art. *See* EX1003.

Taken as a whole, the evidence shows that Examiner failed to fully appreciate Miwa's disclosure, most likely because only a partial translation – which omitted the most critical part of Miwa – was provided during prosecution. There is therefore no basis for denying institution under § 325(d). *See, e.g., Amgen Inc. v Alexion*

Pharmaceuticals, Inc., IPR2019-00740, Paper 15 at 65 (PTAB Aug. 30, 2019) (“The Board has consistently declined exercising its discretion under Section 325(d) when the only fact a Patent Owner can point to is that a reference was disclosed to the Examiner during the prosecution.”); *Amneal Pharms. LLC v. Alkermes Pharma Ireland Ltd.*, IPR2018-00943, Paper 8 at 40 (PTAB Nov. 7, 2018) (declining to deny institution where the reference was listed on the face of the patent, but Patent Owner provided no evidence “about the extent to which the Examiner evaluated” the reference during prosecution); *Digital Check Corp. d/b/a ST Imaging v. E-Imagedata Corp.*, IPR2017-00178, Paper 6 at 12–13 (PTAB Apr. 25, 2017) (granting institution because there was no indication that the Examiner substantively considered cited references during prosecution); *Fox Factory, Inc. v. SRAM, LLC*, IPR2016-01876, Paper 8 at 7–9 (PTAB Apr. 3, 2017) (refusing to deny institution based on Section 325(d) for grounds based on a prior art reference that was simply cited in an IDS); *Praxair Distribution, Inc. v. INO Therapeutics LLC*, IPR2015-00893, Paper 14 at 8 (PTAB Sept. 22, 2015) (granting institution even though references were previously cited in an IDS because patent owner failed to identify where those references were considered); *HyperBranch Medical Technology, Inc. v. Confluent Surgical, Inc.*, IPR2018-01099, Paper 14 at 17 (PTAB Nov. 27, 2018) (instituting IPR because, inter alia, “[t]he Examiner does not appear to have

considered the combined teachings of [the references] during examination of the '021 patent.”).

2. § 314 does not provide a basis to deny the Petition.

The filing of this Petition is not abusive, neither the Office nor the Board has previously addressed the grounds raised in this Petition, and instituting this proceeding would be an efficient use of the Board’s resources. Accordingly, denial under § 314(a) is not warranted. *General Plastic Industrial Co. v. Canon Kabushiki Kaisha*, IPR2016-01357 (PTAB Sept. 6, 2017) (precedential).

B. ANALYSIS OF THE *FINTIV* FACTORS DEMONSTRATES THAT DISCRETIONARY DENIAL IS NOT APPROPRIATE

The *Fintiv* factors do not weigh in favor of discretionary denial in this case.

In its brief, Patent Owner contends that the Petition should be denied based on the *Fintiv* factors, along with certain additional considerations set forth in the Director’s Memorandum dated March 26, 2025. *See* Patent Owner’s Discretionary Denial Brief, Paper 12 at 9 (“Brief”). Contrary to Patent Owner’s assertions, however, discretionary denial is not warranted here, as a proper analysis of each of the *Fintiv* factors demonstrates.

Additionally, Petitioner acted diligently and expeditiously in filing its Petition, which sets forth compelling, well-supported grounds demonstrating that the claims

of the '394 Patent should never have been granted in the first place. Patent Owner's arguments to the contrary are both unsubstantiated and unpersuasive.

Although there are two co-pending proceedings involving the '394 Patent, *Certain Glass Substrates for Liquid Crystal Displays, Products Containing the Same, and Methods for Manufacturing the Same (II)*, Inv. No. 337-TA-1441 and *Corning Inc. v. Caihong Display Devices Co., Ltd.*, Case No. 1-24-cv-02328 (EDVA), the Petition should not be denied under the *Fintiv* discretionary factors for at least the following reasons.

1. Factor 1: Whether the court granted a stay

The co-pending district court litigation involving the '394 Patent has been stayed and that stay will remain in place until the completion of the co-pending ITC investigation and any subsequent appeals. *See* Case No. 1-24-cv-02328, Dkt. No. 14.

Although the co-pending ITC investigation has not been stayed, that investigation does not involve all of the claims of the '394 Patent. Rather, Corning has asserted only two dependent claims. *See* Brief at 4; *see also* *Corning Incorporated V. Caihong Display Devices Co., Ltd. Et al.*, 1:24-cv-2328, Amended Complaint, Dkt. 5, at ¶ 197. Corning has, however, previously asserted claims 1 and 3 of the '394 patent against Petitioner. *See* *Certain Glass Substrates for Liquid*

Crystal Displays, Products Containing the Same, and Methods for Manufacturing the Same, Inv. No. 337-TA-1433.

Consequently, because the ITC does not permit the filing of a counterclaim for invalidity, the co-pending ITC investigation cannot and will not address all of the claims of the '394 Patent, including independent claim 1, which was previously asserted against Petitioner and from which currently asserted claim 4 depends. Conversely, the Petition challenges the patentability of *all* of the claims of the 394 patent. It is therefore only through an IPR proceeding that Petitioner can possibly obtain complete relief.

The fact that the co-pending ITC investigation has not been stayed should therefore have no impact on the Board's evaluation of this factor. This factor weighs against discretionary denial.

2. Factor 2: Proximity of the court's trial date

The district court action is currently stayed and that stay will remain in place until at least August 2026, when the ITC is scheduled to issue a Final Determination in the co-pending investigation. Accordingly, it is highly unlikely that the district court action will be tried before the Board's projected statutory deadline for a Final Written Determination (FWD).

Although a Final Determination (FD) is scheduled to be issued in the co-pending ITC investigation in August 2026, that FD will necessarily not involve all

of the claims of the '394 Patent, including independent claim 1, as described above. Moreover, the Board's projected statutory deadline for a FWD is before the deadline for Presidential review of a FD in the co-pending ITC investigation.

This factor weighs against discretionary denial.

3. Factor 3: Investment in parallel proceedings

Petitioner moved to stay the district court case—which was unopposed and granted—at the very outset. *Corning Incorporated V. Caihong Display Devices Co., Ltd. Et al.*, 1:24-cv-2328, Dkt. No. 7 (March 28, 2025). Indeed, the case was stayed even before completion of the pleadings stage, so the entirety of the district court case has yet to commence.

Moreover, as described above, proceedings in the co-pending ITC investigation will necessarily be limited to just two dependent claims. Given that Patent Owner may assert additional claims of the '394 patent in the co-pending district court action, particularly given that it has done so in the past—and because the ITC lacks authority to resolve issues of invalidity—institution of this IPR is both appropriate and necessary.

This factor weighs against discretionary denial.

4. Factor 4: Overlap of issues

Because the co-pending district court action will remain stayed until after the Board's statutory deadline for a FWD, there will be no overlap of issues in the two proceedings due to the estoppel provisions of 35 U.S.C. § 315(e)(2).

With respect to the ITC investigation, as noted above, “the ITC does not have the authority to invalidate a patent.” *Wirtgen Am., Inc. v. Caterpillar Paving Prods. Inc.*, IPR2018-01201, Paper 13 at 12 (PTAB Jan. 8, 2019); *see also Emerson Elec. Co. v. SIPCO, LLC*, IPR2019-00545, Paper 16 at 13 (PTAB Aug. 30, 2019). Thus, Petitioner will not be free of threats of litigation from Patent Owner even if it prevails in the ITC investigation. *See INVT SPE LLC v. Int'l Trade Comm'n*, 46 F.4th 1361, 1370 (Fed. Cir. 2022) (“ITC determinations of patent infringement and validity do not have preclusive effect on district courts, even when affirmed by the Federal Circuit.”); *see also Bio-Tech. Gen. Corp. v. Genentech, Inc.*, 80 F.3d 1553, 1563–64 (Fed. Cir. 1996) (ITC decisions do not bind a subsequent federal court under the doctrine of claim preclusion); *Texas Instruments, Inc. v. U.S. Int'l Trade Comm'n*, 851 F.2d 342, 344 (Fed. Cir. 1988) (“[T]his court has stated that the ITC’s determinations regarding patent issues should be given no *res judicata* or collateral estoppel effect.”). Consequently, the Board has frequently declined to deny IPR petitions in view of parallel ITC proceedings.

Significantly, Patent Owner has studiously not asserted all of the claims of the '394 Patent in the ITC investigation, including independent claim 1 (from which all of the claims being asserted depend). This stratagem provides additional grounds for the Board to decline to exercise its discretion here. *See Samsung Electronics Co. v. Dynamics, Inc.*, IPR2020-00499, Paper 41 at 13 (PTAB Aug. 12, 2020) (declining to exercise discretion after determining claim limitations at issue before the Board were not at issue in the ITC proceeding); *3Shape A/S v. Align Technology, Inc.*, IPR2020-00223, Paper 12 at 33-34 (PTAB May 26, 2020) (declining to exercise discretion after finding that the ITC investigation would not resolve all claims at issue in the IPR proceeding). Indeed, while the ITC's decision in the co-pending investigation may be informative, in this case, because the ITC will not be considering all of the claims of the '394 Patent, that investigation “does not render our proceeding duplicative or amount to a waste of the Board’s resources.” *Wirtgen*, Paper 13 at 11. Accordingly, instituting trial here would be a more efficient alternative to the stayed district court litigation and the co-pending ITC investigation. *See Samsung*, Paper 41 at 13.

Finally, to reduce the potential for even a partial overlap of issues, if the Board institutes trial on this Petition, Petitioner will not assert in the ITC investigation and the parallel District Court action the same prior art combinations or any grounds that could have reasonably been raised on which trial is instituted. The most efficient

course is for the Board to address the issues before it and the ITC to address only the issues that would remain.

This factor weighs against discretionary denial. *See Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (precedential as to § II.A).

5. Factor 5: Identity of the parties

Patent Owner is the plaintiff in the district court action and complainant in the ITC investigation. Petitioner is one of five defendants named in the district court action and one of several respondents in the ITC investigation. That fact, however, is also true of a great many patent owners and petitioners in IPR proceedings and is fully consistent with the purpose of IPRs providing a process for accused infringers to challenge patents being asserted against them in litigation. Indeed, contrary to Corning’s suggestion, *Fintiv* does not suggest that a petitioner’s involvement in a parallel litigation *supports* discretionary denial. Rather, it merely observes that the petitioner’s *lack of relationship* to the parallel proceeding has been found to weigh against denial. *Fintiv*, Paper 11 at 13–14. Indeed, *Fintiv* says “says nothing about situations in which the petitioner is the same as, or is related to, the district court defendant.” *Cisco Sys., Inc. v. Ramot at Tel Aviv Univ. Ltd.*, IPR2020-00122, Paper 15, at 11 (P.T.A.B. May 15, 2020) (APJ Crumbley, dissenting) (disfavoring a “defendant in the district court” is “contrary to the goal of providing district court

litigants an alternative venue to resolve questions of patentability”); *Fintiv* at 13-14 (saying nothing about situations in which the petitioner and defendant are the same).

This factor should therefore not be a basis for denying institution, particularly given that all of the other factors here weigh against discretionary denial.

6. Factor 6: Other circumstances, including the merits

As discussed in detail in the Petition, Miwa by itself anticipates claims 1 and 3 of the ‘394 patent and renders obvious, either alone or in combination with a second reference, all of the remaining claims. Petitioner’s arguments are strong and are well supported by the disclosures of the cited prior art references and by expert testimony. This factor should therefore weigh against discretionary denial.

a. Patent Owner’s attempt to introduce arguments purportedly supporting patentability are improper and should be ignored

Patent Owner presents arguments as to purported weaknesses in Petitioner’s challenge to the claims of the ‘394 patent. *See* Brief at C, D. As the Board has directed, however, “[t]he parties **should not** treat a discretionary denial brief or opposition as an additional opportunity for merits briefing.” *See* FAQs for Interim Processes for PTAB Workload Management | USPTO #25. Parts C and D of Patent Owner’s Brief, which address the merits of Petitioner’s challenge to the claims of the ‘394 patent, should therefore be ignored in their entirety.

Moreover, at this stage of the proceedings, Petitioner has no burden to rebut any possible secondary considerations. Rather, Patent Owner must first present a *prima facie* case for such consideration, which Petitioner should then have the chance to rebut. *See Sega of Am., Inc. v. Uniloc USA, Inc.*, IPR2014-01453, Paper 11, at 20 (PTAB Mar. 10, 2015). For that reason, the Board typically rejects arguments against institution based on objective indicia so that Petitioner can have a fair opportunity to address any secondary indicia evidence on reply. *Petroleum Geo-Services, Inc. v. WesternGeco LLC*, IPR2014-01478, Paper 18, at 36 (Mar. 17, 2015).

Patent Owner attempts to paint a picture regarding investment in and development of commercial products, *e.g.*, EAGLE XG Glass, as a factor to consider

in denying institution. *See* Brief at 1. Despite offering an expert declaration in support of its Brief, Patent Owner offered no evidence to try to its commercial product development or, more importantly, the alleged commercial success of that product to any invention(s) claimed in the '394 patent. It is well-settled that “[e]vidence of commercial success, or other secondary considerations, is only significant if there is a nexus between the claimed invention and the commercial success.” *Ormco Corp. v. Align Tech., Inc.*, 463 F.3d 1299, 1311–12 (Fed. Cir. 2006).

Additionally, any alleged secondary consideration, particularly unexpected results or commercial success, must be fully commensurate in scope with the claimed invention. Indeed, “if the commercial success is due to an unclaimed feature of the device, the commercial success is irrelevant.” *Ormco*, 463 F.3d at 1312. The same is true if the feature that gives rise to the commercial success was known in the prior art. *See J.T. Eaton & Co. v. Atl. Paste & Glue Co.*, 106 F.3d 1563, 1571 (Fed. Cir. 1997) (“[T]he asserted commercial success of the product must be due to the merits of the claimed invention beyond what was readily available in the prior art.”); *Richdel, Inc. v. Sunspool Corp.*, 714 F.2d 1573, 1580 (Fed.Cir.1983) (holding claims obvious despite purported showing of commercial success when patentee failed to show that “such commercial success as its marketed system enjoyed was due to

anything disclosed in the patent in suit which was not readily available in the prior art”).

Patent Owner also attempts to address the merits of Petitioner’s challenge by referencing one or more of the Rule 132 Declarations filed during prosecution as probative evidence of unexpected results. Those Rule 132 Declarations, however, fail to compare the claimed composition(s) to the closest prior art—Miwa’s Embodiments 15 and/or 20—and so cannot establish the non-obviousness of the claimed invention. *See, e.g., In re Burckel*, 592 F.2d 1175, 1179-80 (CCPA 1979).

Further, a difference in degree, however, such as shown in those Rule 132 Declarations, is not sufficient to establish unexpected results; rather, any such results must show a difference in kind. *Galderma Lab’ys, L.P. v. Tolmar, Inc.*, 737 F.3d 731, 739 (Fed. Cir. 2013) “Unexpected results that are probative of nonobviousness are those that are ‘different in kind and not merely in degree from the results of the prior art.’”) (*citing Iron Grip Barbell Co. v. USA Sports, Inc.*, 392 F.3d 1317, 1322 (Fed.Cir.2004)).

b. The Petition is Fully and Properly Supported by Dr. Ernst’s Declaration and Evidence from the Prior Art

Patent Owner criticizes Dr. Ernst’s declaration as supposedly “an expert declaration that merely parrots the petition without providing additional technical detail, analysis, or evidentiary support is entitled to little if any weight” and therefore

lacks independent analysis. Brief at 19-20. The specific examples cited by Patent Owner where the same language was used in both the Petition and the expert declaration, however, are identifying features of and/or quoting from the prior art and therefore do not require extensive analysis or independent discussion by Dr. Ernst. EX1003 (substitute) ¶¶ 36, 46, 53, 59, 67.¹

In the *Xerox* case cited by Patent Owner, the expert declaration “merely offered conclusory assertions without underlying factual support and repeated, *verbatim*, Petitioner’s conclusory arguments.” *Xerox Corp v. Bytemark, Inc.*, IPR2022-00624, Paper 12 at 5 (PTAB Feb. 10, 2023). Here, in marked contrast, there are no such conclusory assertions in the Petition or the expert declaration. Rather, Dr. Ernst’s declaration explains why the limitations of the challenged claims are necessarily present in the references or why they would have been obvious in light of the prior art disclosure(s) and the knowledge of a POSITA. The fact that the Petition mirrors Dr. Ernst’s analysis—not the other way around, as Patent Owner baselessly alleges—simply shows that the Petition is well-supported by Dr. Ernst’s analysis and should do nothing to diminish the weight that ought to be accorded to

¹ Single reference obviousness, unlike obviousness based on the combination of multiple references, does not require a motivation to combine. Instead, the patent challenger must show that “it would have been obvious to modify that reference to arrive at the patented invention,” an entirely different analysis. See *Game & Tech. Co. v. Activision Blizzard Inc.*, 926 F.3d 1370, 1381 (Fed. Cir. 2019).

his testimony. Patent Owner's flawed argument provides no support for discretionary denial.

Finally, in so far as Patent Owner's protestations of how a POSITA is defined, the Board is well-aware of the circumstances that forced Petitioner to seek and identify a new expert. Dr. Ernst is more than equipped with the knowledge, experience and practical know-how to opine on the subject matter of the '394 patent.

III. THE DIRECTOR'S MEMORANDUM VIOLATES THE ADMINISTRATIVE PROCEDURES ACT

Petitioner respectfully submit that the Director's Memorandum establishing the current process for discretionary denial review violates the Administrative Procedures Act ("APA"). *First*, the Director's Memorandum represents binding agency policy and so should properly be promulgated through notice-and-comment rulemaking. *See Mendoza v. Perez*, 754 F.3d 1002, 1020 (D.C. Cir. 2014). *Second*, the Director's Memorandum exceeds the Director's statutory authority and/or violates the AIA (American Invents Act). Nothing in the AIA authorizes the Director to deny IPR petitions based on the factors referenced in the Director's Memorandum. *Third*, the factors and considerations identified in the Director's Memorandum are arbitrary and capricious. Attempts to apply the *Fintiv* factors has led to unpredictable disparities among similarly situated IPR petitioners because of the uncertainty and

malleability of those factors. The Director's Memorandum worsens this problem by introducing several additional unpredictable and malleable factors, and improperly applies these new factors retroactively to already-filed petitions such as this one. *Fourth*, discretionary denial for any basis other than as authorized in 35 U.S.C. §314(a) is unauthorized. The Director does not have absolute discretion regarding whether to institute IPR; that discretion is limited to the bases authorized in 35 U.S.C. §314.

IV. CONCLUSION

For at least the reasons above, the Board should decline to exercise its discretion in this case.

Dated: June 10, 2025

Respectfully submitted,

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CERTIFICATE OF WORD COUNT

Pursuant to 37 C.F.R. §42.24(d), the undersigned certifies that this Opposition includes 4807 words, as measured by Microsoft Word®.

/Daniel J. Pereira/
Daniel J. Pereira (Reg. No. 45,518)

CERTIFICATE OF SERVICE (37 C.F.R. § 42.6(e)(1))

The undersigned hereby certifies that the above document was served on June 10, 2025, by filing this document through the Patent Trial and Appeal Board P-TACTS System, as well as delivering a copy via express mail upon the following attorneys of record for the Patent Owner:

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