

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

YANGTZE MEMORY TECHNOLOGIES COMPANY, LTD.

Petitioner

v.

MICRON TECHNOLOGY, INC.

Patent Owner

IPR2025-00501

U.S. PATENT 10,373,974

**PETITIONER'S OPPOSITION TO PATENT OWNER'S REQUEST FOR
DISCRETIONARY DENIAL**

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LIST OF EXHIBITS

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EX1001	U.S. Patent No. 10,373,974 to Freeman <i>et al.</i>
EX1002	Prosecution History of U.S. Patent No. 10,373,974
EX1003	Declaration of Dr. Mariusz Orlowski
EX1004	U.S. Patent Application Publication No. 2016/0322376 in the Name of Lee
EX1005	U.S. Patent Application Publication No. 2012/0306089 in the Name of Freeman <i>et al.</i>
EX1006	U.S. Patent Application Publication No. 2016/0163732 in the Name of Lim <i>et al.</i>
EX1007	Korean Patent Application No. 10-2014-0176089
EX1008	Certified English Translation of Korean Patent Application No. 10-2014-0176089
EX1009	U.S. Patent Application Publication No. 2015/0129878 in the Name of Shin <i>et al.</i>
EX1010	U.S. Patent Application Publication No. 2010/0133598 in the Name of Chae <i>et al.</i>
EX1011	U.S. Patent Application Publication No. 2015/0137216 in the Name of Lee <i>et al.</i>
EX1012	“Adjacent” – Merriam-Webster Online Dictionary 2015, Retrieved September 12, 2015, from https://web.archive.org/web/20150912031420/https://www.merriam-webster.com/dictionary/adjacent
EX1013	U.S. Patent Application Publication No. 2015/0279852 in the Name of Mizutani <i>et al.</i>
EX1014	J. Jang <i>et al.</i> , “Vertical cell array using TCAT (Terabit Cell Array Transistor) Technology for Ultra High Density NAND Flash Memory,” 2009 Symposium on VLSI Technology, Kyoto, Japan, 2009, pp. 192-193
EX1015	Y. Noh <i>et al.</i> , “A New Metal Control Gate Last process (MCGL process) for High Performance DC-SF (Dual Control Gate with Surrounding Floating Gate) 3D NAND Flash Memory,” 2012 Symposium on VLSI Technology (VLSIT), Honolulu, HI, USA, 2012, pp. 19-20
EX1016	U.S. Patent Application Publication No. 2014/0138840 in the Name of Ha <i>et al.</i>

Exhibit	Description
EX1017	U.S. Patent Application Publication No. 2009/0310415 in the Name of Jin <i>et al.</i>
EX1018	U.S. Patent Application Publication No. 2016/0218059 in the Name of Nakada <i>et al.</i>
EX1019	U.S. Patent Application Publication No. 2016/0365351 in the Name of Nishikawa <i>et al.</i>
EX1020	R. Muller <i>et al.</i> , “Device Electronics for Integrated Circuits,” 3rd Edition, John Wiley & Sons, 2003, pp. 97-99
EX1021	Defendant’s Answer To First Amended Complaint And Counterclaims, <i>Yangtze Memory Technologies Co. Ltd. v. Micron Technology, Inc. and Micron Consumer Products Group, LLC.</i> , No. 3:23-cv-05792-RFL, D.I. 35 (N.D. Cal. February 16, 2024)
EX1022	Order Granting Motion To Dismiss Counterclaims, <i>Yangtze Memory Technologies Co. Ltd. v. Micron Technology, Inc. and Micron Consumer Products Group, LLC.</i> , No. 3:23-cv-05792-RFL, D.I. 78 (N.D. Cal. July 16, 2024)
EX1023	Defendant’s First Amended Counterclaims, <i>Yangtze Memory Technologies Co. Ltd. v. Micron Technology, Inc. and Micron Consumer Products Group, LLC.</i> , No. 3:23-cv-05792-RFL, D.I. 93 (N.D. Cal. August 1, 2024)
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EX1026	Press Release, U.S. Department of Commerce, Department of Commerce Awards CHIPS Incentives to Micron for Idaho and New York Projects and Announces Preliminary Memorandum of Terms for Virginia DRAM Project to Secure Domestic Supply of Legacy Memory Chips (Dec. 10, 2024) available at: https://www.commerce.gov/news/press-releases/2024/12/departments-commerce-awards-chips-incentives-micron-idaho-and-new-york (last accessed Apr. 9, 2025)

Exhibit	Description
EX1027	IPR2025-00245 (<i>Micron Technology, Inc., v. Yangtze Memory Technologies Company, Ltd.</i>), Paper 1 (excerpt)
EX1028	IPR2024-00370 (<i>Micron Technology v. Netlist Inc.</i>), Paper 1 (excerpt)
EX1029	Printout, Bureau of Industry and Security, Entity List FAQs (2024) available at: https://www.bis.doc.gov/index.php/component/fsj_faqs/cat/33-entity-list-faqs (last accessed Apr. 9, 2025)
EX1030	87 Fed. Reg. 77505 (December 19, 2022), Additions and Revisions to the Entity List and Conforming Removal From the Unverified List
EX1031	Printout, Yahoo Finance, Micron Technology Inc. (MU), available at https://finance.yahoo.com/quote/MU/holders/ (last accessed Apr. 9, 2025)
EX1032	Printout, Slashgear, The Real Owners Behind the World’s Biggest Tech Companies, available at: https://www.slashgear.com/1669177/biggest-tech-companies-who-really-owns/ (last accessed Apr. 11, 2025)

All emphases in quotations are added unless otherwise noted.

Direct quotations of claim language are italicized.

This paper includes color illustrations and should be viewed in color.

I. INTRODUCTION

Discretionary denial of the instant Petition for *Inter Partes* Review (“IPR”) of U.S. Patent No. 10,373,974 (the “’974 patent”) is wholly unwarranted. Petitioner has presented grounds of unpatentability that are strong on the merits. The Petition presents meritorious grounds based on anticipation and single-reference obviousness challenges. As explained below and in the Petition, the claims of the ’974 patent are anticipated and rendered obvious by U.S. Patent Application Publication No. 2016/0322376 in the name of Lee (“Lee,” EX1004). Lee expressly and undisputedly discloses every limitation of the challenged claims.

Moreover, the merits of the Petition are strong because the claimed subject matters were well-documented and already widely recognized in the industry at the time of the ’974 patent, which was evidenced by Applicant-Admitted Prior Art (“AAPA”) cited throughout the ’974 patent. Further, the inventor’s own prior patent—U.S. Patent Application Publication No. 2012/0306089 in the name of Freeman *et al.* (“Freeman,” EX1005)—had already expressly disclosed a number of challenged claims several years prior to the earliest priority date of the ’974 patent.

In addition, during prosecution, the examiner materially erred by overlooking relevant prior art—specifically, the teachings of Lee and Freeman. As a result, the claims were allowed without recognition that the purportedly patentable subject matter, along with other claim limitations, were already disclosed in Lee and

Feeman. It is therefore appropriate for the Office to use its resources to correct this error through this IPR.

Discretionary denial is also inappropriate because no district court litigation currently involves the '974 patent. While Patent Owner attempted to assert the '974 patent in a pending litigation case, the motion to reassert counterclaims based on the '974 patent was dismissed after the litigation was stayed. Nonetheless, the '974 patent remains a live threat, as it is likely to be reasserted once the stay is lifted. The PTAB review now—when there is no parallel litigation—serves the core purpose of IPR: to provide an efficient, non-duplicative alternative to district court litigation. In these circumstances, no *Fintiv* analysis is required. But even if considered, as discussed below, the *Fintiv* factors weigh against discretionary denial.

Patent Owner also has not established settled expectations that would justify discretionary denial. As detailed below, consistent with recent Director decisions, the '974 patent has not been in force for any significant period since its grant in 2019 to create settled expectations.

Finally, arguments raised by Patent Owner's Request for Discretionary Denial ("DD Request") are unsupported, irrelevant, and contrary to law. Petitioner is a statutorily authorized "person" under 35 U.S.C. § 311(a) entitled to file an IPR. Patent Owner's allegations regarding real party-in-interest ("RPI") status are baseless. There is no credible and reliable evidence that the "Chinese government"

is the RPI or has control of any of Petitioner's actions in this proceeding. Accepting Patent Owner's theory would improperly extend RPI status to virtually every investor in any corporate petitioner. Further, there is no credible evidence that Petitioner's parent company—Yangtze Memory Technologies Holding Co., Ltd. ("YMTH")—should have been identified as an RPI. Patent Owner offers no evidence that YMTH directed or controlled this proceeding. Even assuming, *arguendo*, that the Chinese government or YMTH could be considered an unnamed RPI, Patent Owner has not shown that any such omission warrants discretionary denial. In fact, as detailed below, the law says otherwise.

II. DISCRETIONARY DENIAL IS INAPPROPRIATE GIVEN THE STRONG MERITS OF THE UNPATENTABILITY CHALLENGE

Discretionary denial is unwarranted considering the strong merits of the unpatentability grounds set forth in the Petition, consistent with the Acting Director's *Interim Processes for PTAB Workload Management* ("Director Memo"). Noably, Patent Owner did not dispute the underlying merits of the Petition in its DD Request. *See generally* DD Req. As discussed in detail below, the Petition presents particularly strong merits based on: (i) straightforward anticipation and single-reference obviousness grounds presented in the Petition, (ii) inventor's prior self-disclosure and self-admitted prior art against key claim limitations, and (iii) a material error made by the Office during prosecution of the '974 patent.

A. The Petition Presents Strong Merits on Grounds Based on Anticipation and Single-Reference Obviousness

The challenged claims pertain to well-known three-dimensional (3D) memory device structure and manufacturing. The purported novelty of the '974 patent—a technique for forming through-array vias (TAVs) through existing dielectric materials—is *not* recited in independent claims or any challenged claims and is, in any case, disclosed by the prior art. Instead, the challenged claims merely recite well-known features in the design and manufacture of 3D memory devices, such as the conventional usage of TAVs to interconnect under-array circuits and forming stair-step structures with stair-step masks and chop masks. All elements of the challenged claims—including the purportedly patentable subject matter—are expressly and undisputedly disclosed in Lee.

The Petition accordingly presents particularly strong unpatentability arguments on grounds based on anticipation and single-reference obviousness. Specifically, the Petition establishes that claims 1, 4, 5, 7, 9, and 11-19 are anticipated and rendered obvious by Lee (Grounds 1 and 2). *See* Pet. 4–5. These straightforward and well-supported challenges further demonstrate that discretionary denial is inappropriate, and that institution should be granted.

For example, FIG. A below presents a side-by-side comparison of FIG. 1 of the '974 patent—which illustrates the claimed invention—with FIG. 11 of Lee. Pet.

6-7, 12 (citing EX1003 – FIGs. L and Q with additional annotations). As illustrated in FIG. A below, it is clear that Lee discloses a memory device including “a *memory cell region*,” “at least one *via region*,” and “at least one *stair step region*,” which is substantially identical to the one recited in the challenged claim 1. In particular, the components of the memory device —namely, the “*stair step structures*” (highlighted in red), “*conductive vias*” (in black), “*access lines*” (in gray), and “*slots*” (in green)—are expressly disclosed by Lee. See Pet. 14-27.

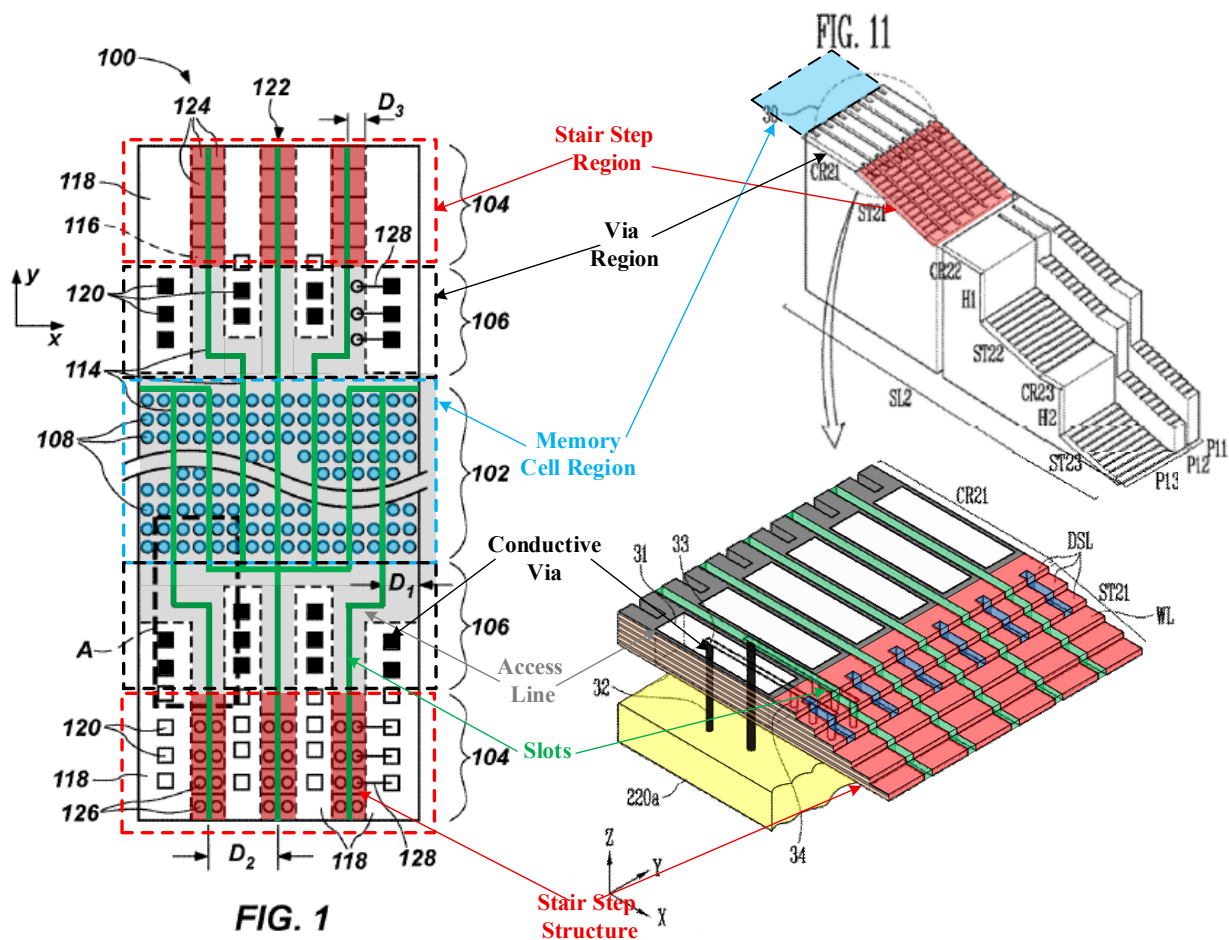


FIG. A: Side-by-side Comparison of Annotated FIG. 1 of the '974 Patent and Annotated FIG. 11 of Lee

**B. The Petition Presents Particularly Strong Merits Because
Inventor’s Prior Self-Disclosure and Self-Admitted Prior Art
Correspond to Key Claim Limitations**

The Petition presents strong merits also because these claimed subject matters were well-documented and already widely recognized in the industry at the time of the ’974 patent, which was evidenced by Patent Owner’s self-admitted prior art cited throughout the ’974 patent.

The ’974 patent includes various instances of AAPA.¹ In one instance, in its Background section, the ’974 patent explicitly acknowledges that the process of forming “alternating layers of the first dielectric material and the conductive word line plates” was “**conventional**” at that time (“AAPA-1”). Pet. 8 (citing EX1001, 1:43-59). In another instance, the ’974 patent provides detailed descriptions of forming stair step structures using the “stair step mask” and “chop masks,” characterizing those processes as “**known by those of ordinary skill in the art**” (“AAPA-2”). *Id.* (citing EX1001, 9:30-10:11, 12:36-39).

Notably, some challenged claims simply *paraphrase* the descriptions of the AAPA, as summarized in TABLE I below.

¹ The Petition does not rely on any of the AAPA in any of its grounds but rather discusses the APPA to demonstrate common knowledge possessed by a person of ordinary skill in the art (“POSTIA”) and that a POSITA would have understood the prior art to teach certain limitations. *See, e.g.,* Pet. 43-44, 50-52, 54-55; *see also* *Yealink (USA) Network Technology Co., Ltd. et al. v. Barco N.V.*, IPR2025-00491, Paper 18 at 3 (Director June 25, 2025).

Claim Limitation	AAPA
[12] The method of claim 7, wherein forming the stair step structures comprises removing at least a portion of the stair step structures using a single stair step mask and two chop masks.	<u>AAPA-2:</u> “As generally described above with reference to FIGS. 7 and 8, the stair step structures 122 may be formed using a stair step mask and, optionally, one or more chop masks, as is known to one of ordinary skill in the art.” Pet. 43; EX1001, 12:36-39. “As is known by those of ordinary skill in the art, stair step structures for electrical connection to conductive word lines (or word line plates) at the tiers of vertical memory blocks may be formed by utilizing a so-called “stair step mask” and, optionally, one or more so-called “chop masks.” Pet. 43; EX1001, 9:30-34.
[13.a] forming the array of memory cells in the memory cell region comprises forming vertical memory cell pillars within a stack of alternating dielectric materials	<u>AAPA-1:</u> “Conventional MONOS type memory arrays may be formed by forming the semiconductor pillars through a stack of alternating first and second dielectric materials.” Pet. 44 (citing EX1001, 1:49-51).
[15] The method of claim 14, wherein removing the at least a portion of the stair step structures using the at least one chop mask comprises forming additional contact regions within the at least one stair step region while reducing a cross-sectional area of the stair step structures.	<u>AAPA-2:</u> “Chop masks are used to provide contact to additional tiers of the vertical memory block while reducing the size of an area that the stair step structures cover.” Pet. 50-51 (citing EX1001, 9:65-67).
[16] The method of claim 14, wherein removing the at least a portion of the stair step structures using the at least one chop mask comprises using the at least one chop mask after using the	<u>AAPA-2:</u> “A single chop mask may be used to double the number of contact regions (“stairs”) of a stair step structure formed

stair step mask to double a number of contact regions formed by using a single stair step mask.	using a single stair step mask.” Pet. 51 (citing EX1001, 10:4-7).
[17] The method of claim 14, wherein forming the at least one stair step region comprises: [17.a] forming the stair step mask over the stack while exposing a width of a first step; [17.b] removing at least one tier of the dielectric materials and the conductive materials exposed through the stair step mask; [17.c] recessing an edge of the stair step mask to expose a width of a second step; and [17.d] removing at least another tier of the dielectric materials and the conductive materials exposed through the stair step mask.	<u>AAPA-2:</u> “A stair step mask may be formed over the vertical memory block while leaving one step-width (e.g., a width of one contact region 524 measured in the longitudinal direction y) exposed.” “One or more tiers of conductive material (e.g., of the conductive word lines 516) exposed through the stair step mask may be removed, such as by a first cycle of anisotropic material removal (e.g., etching).” “An edge of the stair step mask may be removed to recess the edge of the stair step mask and to expose another step-width, in addition to the original exposed step-width.” “Another cycle of material removal may be performed to remove another one or more tiers of conductive material exposed through the recessed stair step mask.” Pet. 54-55 (citing EX1001, 9:34-47).
[18] The method of claim 14, wherein removing the at least a portion of the stair step structures using the at least one chop mask comprises: [18.a] covering a first portion of the stair step structures with the at least one chop mask while exposing a second portion of the stair step structures through the at least one chop mask; and	<u>AAPA-2:</u> “A chop mask may be used cover one or more particular stair step structures or portions thereof (e.g., one or more of the stair step structures 522, 522A, 522B, 522C, 522D), while leaving one or more other stair step structures or portions thereof exposed through the chop mask.”

[18.b] vertically recessing the second portion of the stair step structures such that at least one exposed tier is removed.	“The entire exposed one or more other stair step structures or portions thereof is vertically recessed, such that one or more exposed tiers is removed.” Pet. 50-52; EX1001, 9:50-57.
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TABLE I

Freeman has the same first inventor as the '974 patent and was published almost three years prior to the earliest priority date of the '974 patent. EX1005, code (43), (75). As explained in detail in the Petition, Freeman's stair-step structure forming method, in particular, the usage of a stair step mask and chop masks, matches well with AAPA-2 and supplements additional details with respect to the various claim limitations related to using “*a stair step mask*” ([14.d] and claim 17) and “*at least one chop mask*” ([14.e], claims 15, 16, and 18) in “*forming at least one stair step region*” (collectively “mask limitations”). See Pet. 56-60. In particular, Freeman provides further explicit teachings of the mask limitations recited in claims 12, 14-16, 18, and 19. See Pet. 60-66. Moreover, besides AAPA-2 (as shown in TABLE I above), Freeman supplements additional processing details of using the stair step mask regarding claim limitations [17.a]-[17.d]. See Pet. 66-68.

Accordingly, the merits of the Petition are particularly strong because a number of challenged claims had already been expressly disclosed several years ago by the inventor's own patent, as evidenced by the AAPA of the '974 patent.

C. Discretionary Denial is Not Warranted Because Material Errors Were Committed During Patent Examination

Discretionary denial is inappropriate because the Petition establishes that the Office committed a material error during examination of the '974 patent. As a result, it would be appropriate for the Office to use its resources to review that material error. *See Microsoft Corporation v. Partec Cluster Competence Center GMBH*, IPR2025-00318, Paper 9 at 3 (Director June 12, 2025) (“*Microsoft*”) (finding that “discretionary denial of institution is not warranted because of Petitioner’s showing of material error during patent examination” and that “it is an appropriate use of Office resources to review the potential error”); *Eunsung Global Corp. v. HydraFacial LLC*, IPR2025-00445, Paper 14 at 3 (Director July 10, 2025) (finding that “discretionary denial is not appropriate” because “Petitioner persuasively demonstrates that the patent examiner overlooked certain teachings in Karasiuk that appear to disclose the allowable features of the claims”); *Anthony Inc. v. Controltec LLC*, IPR2025-00559, Paper 9 at 2 (Director July 16, 2025) (finding that “[a]lthough the challenged patents have been in force for approximately eighteen and seventeen years, Petitioner appears to show a material error by the Office, and it is an appropriate use of Office resources to review the potential error”).

During prosecution of the '974 patent, the examiner indicated allowable subject matter in independent claims 1, 7, and 14, noting that the prior art on the

record failed to teach, with emphasis in italics, the claim limitations related to “*stair step structures*,” “*conductive vias*,” and “*a dielectric material within slots*.” Pet. 9 (citing EX1002, 68-69). However, the examiner overlooked relevant prior art, as Lee clearly discloses the purportedly patentable subject matter. *See Microsoft*, IPR2025-00318, Paper 9 at 2-3 (finding that the examiner overlooked pertinent prior art references that were not previously before the examiner); *Anthony Inc.*, IPR2025-00559, Paper 9 at 2 (same); *Tesla, Inc. v. Charge Fusion Technologies, LLC*, IPR2025-00152, Paper 11 at 2-3 (Director June 12, 2025) (finding Office erred by overlooking prior art teachings that disclosed the purportedly allowable feature); *Microsoft Corporation v. XI Discovery, Inc.*, IPR2025-00253, Paper 13 at 2 (Director June 25, 2025) (same).

For example, Lee expressly and undisputedly discloses the purportedly patentable subject matter related to “*stair step structures*,” “*conductive vias*,” and “*a dielectric material within slots*” in claim 1. Specifically, as shown in FIG. A below, Lee clearly teaches stepped structures in step region ST 21 (in red, “*stair step structures in at least one stair step region*”), first contact plugs 32 in contact region CR21 (in black, “*conductive vias in at least one via region*”), and a dielectric material within slots (in green). Pet. 16-21, 23-27.

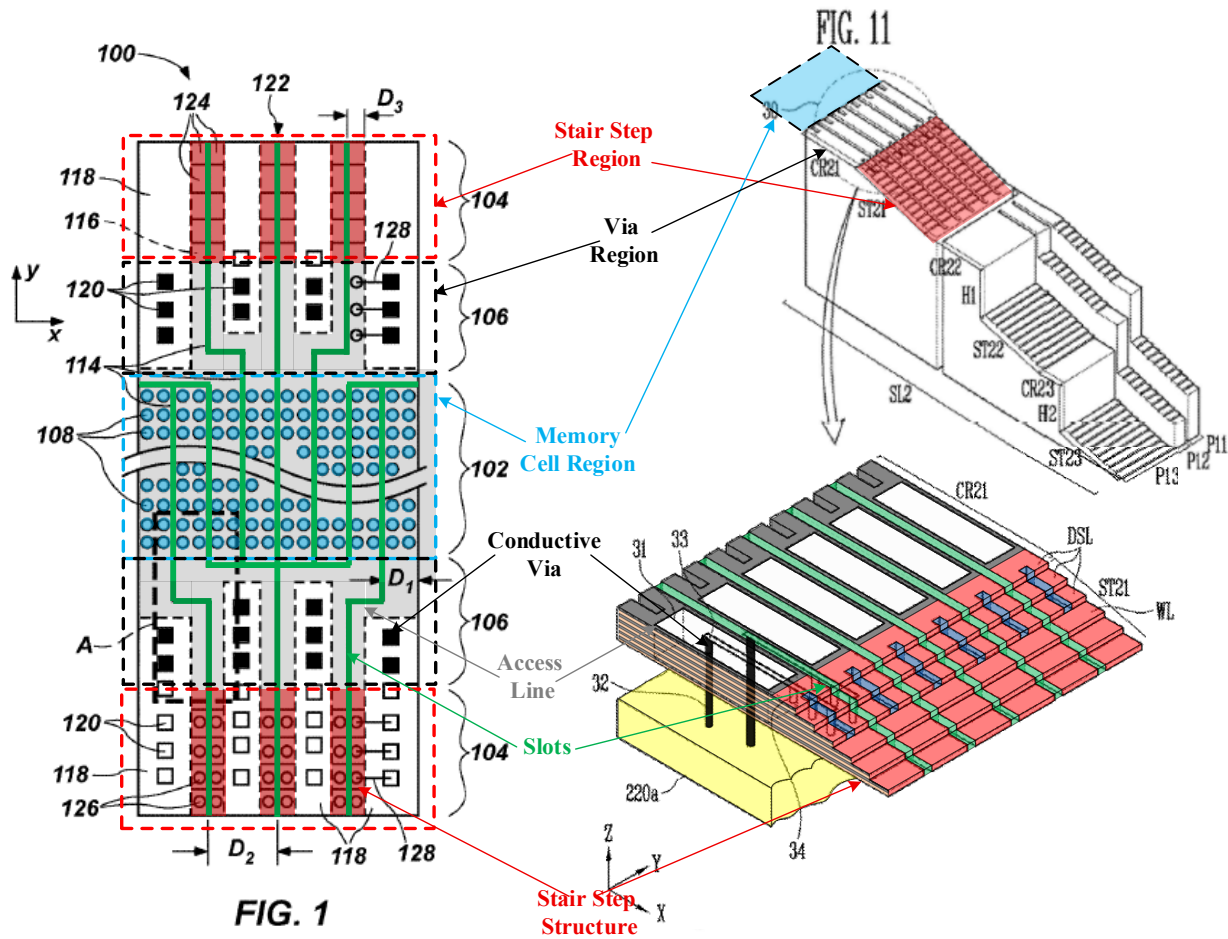


FIG. A: Side-by-side Comparison of Annotated FIG. 1 of the '974 Patent and Annotated FIG. 11 of Lee

Therefore, the examiner overlooked relevant prior art by not having considered Lee's teachings, demonstrating that the Office erred in a manner material to the patentability of at least claim 1.

Moreover, as to Freeman, its issued patent (U.S. Patent No. 8,530,350) was cited in an information disclosure statement (IDS) submitted during the prosecution

of '974 patent.² However, Freeman was not a basis for rejection during examination; there was no substantive discussion regarding any of the challenged claims with respect to Freeman. Pet. 80 (citing EX1002, 82, 103); *see Ecto World, LLC et al. v. RAI Strategic Holdings, Inc.*, IPR2024-01280, Paper 13 at 5 (PTAB May 19, 2025) (precedential). Freeman also includes specific teachings that “impact patentability of the challenged claims.” *Id.* at 5-6. Specifically, as discussed above in Section II.B (citing Pet. 60-66), Freeman teaches the mask limitations recited in claims 12, 14-16, 18, and 19, so the examiner materially erred by overlooking Freeman’s teachings despite Freeman being disclosed in an IDS and by not considering Freeman in combination with Lee. *See Eunsung*, IPR2025-00445, Paper 14 at 3.

Furthermore, as discussed in Section II.B, some challenged claims simply paraphrase the descriptions of the AAPA. *See* TABLE I. Thus, the examiner further erred materially by not evaluating inventor’s self-admission concerning prior art that expressly teaches certain claims. *See Yealink*, IPR2025-00491, Paper 18 at 3 (finding the examiner erred materially by failing to evaluate Patent Owner’s admission concerning prior art).

In sum, the examiner erred materially in overlooking Lee’s express disclosure

² Notably, Petitioner has provided detailed and specific arguments in the Petition explaining why discretionary denial under 35 U.S.C. § 325(d) does not apply to Freeman. *See* Pet. 80. Patent Owner does not dispute these arguments or raise any arguments under § 325(d) in the DD Request.

of the purported patentable subject matter of claim 1, Freeman’s teachings related to the mask limitations recited in claims 12, 14-16, 18, and 19, as well as AAPA. In view of these material errors, discretionary denial is not warranted. *See, e.g., Microsoft.*, IPR2025-00318, Paper 9 at 3.

III. DISCRETIONARY DENIAL UNDER FINTIV IS INAPPROPRIATE BECAUSE THE ’974 PATENT IS NOT CURRENTLY INVOLVED IN ANY PARALLEL PROCEEDING

A. The ’974 Patent is Not Currently Asserted in any Pending Civil Action

As pointed out in the Petition, the ’974 patent was initially asserted as counterclaims in Patent Owner’s February 16, 2024 Answer and Counterclaim in *Yangtze Memory Technologies Co. Ltd. v. Micron Technology, Inc. et al.*, No. 3:23-cv-05792-RFL (N.D. Cal.) (“NDCA case”), but the district court dismissed it under Federal Rule of Civil Procedure 12(b)(6), with leave to amend. *See* Pet. 2-3, n. 1 (citing EX1021-EX1022).

Subsequently, on January 29, 2025, Patent Owner filed an unopposed motion for leave to amend its counterclaims to reassert the ’974 patent. *Id.* (citing EX1024). This Petition was filed on February 13, 2025, about two weeks after the motion was filed. That motion was later denied as moot on March 14, 2025 in view of the current stay of the NDCA case. EX1025, 2–3.

Accordingly, the ’974 patent is not presently asserted in the NDCA case or in

any other pending civil action. As a result, there is no parallel proceeding involving the '974 patent that would justify discretionary denial under *Fintiv* or related guidance. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 6 (PTAB March 20, 2020) (precedential).

B. The '974 Patent Remains an Imminent Obstacle for Petitioner as Patent Owner is Highly Likely to Reassert it Once the Stay is Lifted

Although the '974 patent is not currently asserted in any pending civil action, it continues to pose an imminent threat to Petitioner as the '974 patent was not dismissed with prejudice. Patent Owner previously sought leave to amend its counterclaims to reassert the '974 patent in the NDCA case, and that motion was unopposed. Given the procedural history and the posture of the case, it is highly likely that Patent Owner will renew its efforts to assert the '974 patent against Petitioner after the stay is lifted (*e.g.*, through a renewed motion).

This case is readily distinguishable from prior decisions in which the Director found that dismissal of a patent from parallel district court litigation weighed in favor of discretionary denial. In each of those cases, the patent at issue *no longer posed a threat* to the petitioner—either because it was dismissed *with prejudice* (*see* IPR2024-01453 (Paper 15 at 2), IPR2025-00415, -00417, and -00418 (Paper 10 at 2-3)), dismissed pursuant to a *joint motion* by the parties (*see* IPR2025-00290, -00291, and -00317 (Paper 18 at 4)), or subject to a *stipulation* by the patent owner

not to assert the challenged claims against the petitioner (*see* IPR2025-00227 (Paper 13 at 4, DD Req. 10), IPR2025-00313 and -00314 (Paper 18 at 2, DD Opp. 1)).

By contrast, here, the '974 patent remains at the center of a live and unresolved dispute between the parties. Petitioner faces a real and ongoing risk of future litigation involving the '974 patent, which strongly supports institution and weighs against discretionary denial. Having the PTAB resolve the patentability issues without any overlap with the litigation—especially given that the litigation is stayed—would serve the very purpose for which IPR was created: to provide an efficient alternative to district court litigation.

C. Discretionary Denial under *Fintiv* Would Still be Inappropriate Even If the Potential Reassertion of the '974 Patent Warrants a *Fintiv* Analysis

As stated in Section III.A, the '974 patent is not asserted in the currently stayed NDCA case, and there is no other pending parallel district court litigation involving the '974 patent. To the extent the potential reassertion of the '974 patent is later allowed to be reasserted in the NDCA case, discretionary denial would still be inappropriate under *Fintiv* analysis.

The NDCA case is presently stayed pending resolution of other IPR proceedings, and no trial date has been set (*Fintiv* Factor 1). *See generally* EX1025. As the court noted in its stay order, “the litigation is in an early stage.” *Id.* 1. If new patents, including the '974 patent, are asserted after the stay is lifted, the case

schedule will likely be further extended to accommodate those additional claims. Therefore, even after the stay is lifted, it is highly unlikely that a trial would occur before a Final Written Decision (FWD) is issued in this IPR (*Fintiv* Factor 2).

Furthermore, the parties have made minimal investment with respect to the '974 patent in the NDCA case before the '974 patent was dismissed (*Fintiv* Factor 3). Patent Owner's original counterclaims concerning the '974 patent were dismissed under Rule 12(b)(6) for failure to adequately plead infringement. EX1022, 1. Invalidity contentions for the '974 patent have not yet been served. Petitioner was diligent in filing the Petition just about two weeks after Patent Owner's motion for leave to amend its counterclaims to reassert the '974 patent was filed.

In addition, Petitioner has stipulated that if this IPR is instituted and the '974 patent is reasserted in the NDCA case, Petitioner will not pursue the same grounds of invalidity in the district court litigation (*Fintiv* Factor 4). Pet. 82, n. 5 (citing *Sand Revolution II, LLC v. Continental Intermodal Group – Trucking LLC*, IPR2019-01393, Paper 24 at 11-12 (PTAB June 16, 2020) (informative)).

Finally, as discussed above in Section II, the Petition presents strong unpatentability grounds and compelling merits (*Fintiv* Factor 6). It is also worth noting that the same PTAB merits panel has already been assigned to a number of IPR proceedings between the parties, all of which involve similar 3D NAND memory technologies as those at issue in the '974 patent. *See, e.g.*, IPR2025-00098,

-00099, -00189, -00117, -00118, -00034, IPR2024-00911, -00909, -00791, -00788, -00792, -00790, -00789, -00794, -00795. Given the complexity of the technologies underlying the '974 patent, as well as the panel's technical background and its familiarity with the subject matter through these related proceedings, it would be far more efficient for the PTAB—particularly the same merits panel—to adjudicate the validity of the '974 patent. Moreover, PTAB adjudication will help ensure consistent and predictable invalidity determinations across these related proceedings involving similar technologies.

Accordingly, even if a *Fintiv* analysis were deemed appropriate, almost all *Fintiv* factors weigh against discretionary denial.

IV. PATENT OWNER HAS NOT DEVELOPED SETTLED EXPECTATIONS THAT FAVOR DISCRETIONARY DENIAL

The '974 patent issued on August 6, 2019 and thus, has not been in force for a significant period of time to create settled expectations. *See Cambridge Industries USA, Inc., v. Applied Optoelectronics, Inc.* IPR2025-00434 Paper 11 at 2-3 (Director June 26, 2025) (finding Patent Owner has not developed strong settled expectations that favor discretionary denial for patents issued in 2020 and 2019); *Berkshire Hathaway Energy Company et al. v. Birchtech Corp.*, IPR2025-00274, Paper 23 at 3 (Director July 2, 2025) (same).

Consistent with those findings in *Cambridge* and *Berkshire*, Patent Owner has

not established any settled expectations with respect to the '974 patent that would support discretionary denial here.

V. PATENT OWNER'S ARGUMENTS FOR DISCRETIONARY DENIAL SHOULD BE REJECTED

Patent Owner in its DD Request raises three arguments about whether Petitioner can file a petition and whether the Director should discretionarily deny the Petition due to alleged Chinese government investment in Petitioner.³ These arguments should be rejected.

First, Petitioner is a “person” that can file an IPR consistent with binding precedent. Second, Petitioner is a private company, not a state-owned enterprise, and mere investment by certain Chinese government entities does not render Chinese government an RPI. Indeed, the U.S. government has invested in Patent Owner, but was not identified as an RPI in any of Patent Owner's own IPRs. Third, the U.S. government could have, but has not, alleged that Petitioner operates on behalf of the Chinese government. Petitioner's 2022 inclusion on the U.S. Commerce Department's “Entity List” was exclusively based on the U.S. government's perceived risk that Petitioner's products could be “diver[t]ed” to another entity on

³ As noted by Patent Owner, the arguments for discretionary denial in its DD Req. are “substantially identical” to those in its Preliminary Responses and Sur-replies in IPR2025-00098 (the “'098 IPR”). DD Req. 1, n. 1. Those arguments, however, have been rejected by the Board of the '098 IPR in the Institution Decision. *See* IPR2025-00098, Paper 15 at 16-23 (PTAB June 10, 2025).

the list, not on any allegation of Chinese government ownership or control. In sum, Patent Owner's arguments are specious and unsupported by its alleged evidence and adopting them would require the Director to make drastic holdings that are contrary to law and precedent.

A. Patent Owner's Allegations Are Unsupported and Irrelevant

Patent Owner's allegation that the Chinese government controls Petitioner is unsupported by its alleged evidence, which is unreliable and inaccurate. Petitioner is a private company with independent control over its actions, including this Petition. No other party played a role in Petitioner's decision to pursue this IPR, or exercised control over the arguments. None of Patent Owner's alleged evidence shows otherwise.

The sum total of the alleged evidence provided in Patent Owner's DD Request is that: (1) the Chinese government has a fund that invests in the integrated circuit field (DD Req. 3-7); (2) Petitioner's parent company YMTH has a series of minority investors, and Patent Owner alleges that these investors have taken investment from a diverse range of interests that includes local government branches in China and the integrated circuit investment fund (DD Req. 7-10); and (3) Petitioner has been added to the U.S. Bureau of Industry and Security's ("BIS") Entity List and to the U.S. Department of Defense's ("DOD") Chinese Military Company List ("CMC List") (DD Req. 10-12). Even if true, Patent Owner never explains how any of these

allegations supports its conclusory argument that the Chinese government is an RPI.

Patent Owner cannot support its argument because it is wrong. That Petitioner's parent company allegedly has a series of minority investors, including various government entities, does not imply control, nor is such an investment structure unusual for private Chinese companies. Patent Owner does not purport to explain how this set of entities exercises any level of control over Petitioner's actions. Indeed, Patent Owner's briefing cites no case in which the Director or Board has held that a passive investor in any company (let alone one three levels removed) should prevent a party from being able to file an IPR petition, and Petitioner knows of no such case. Moreover, in the NDCA case, Patent Owner chose to sue Petitioner—not the Chinese government or any alleged investors that it argues are state-owned entities. Assuming *arguendo* that Patent Owner truly believes that Petitioner is “an entity created, owned, and controlled by the Chinese government” and is therefore “not a statutorily authorized ‘person,’” it should have named the Chinese government, not Petitioner, in the NDCA case. DD Req. 1. Petitioner similarly identified RPIs at the NDCA case, and Patent Owner never challenged the fact that Petitioner did not name the Chinese government in that forum. EX2021.

Following Patent Owner's own argument, the U.S. government would be an RPI when Patent Owner files IPR petitions, at least because Patent Owner took a \$6.165 billion U.S. government investment as part of the 2022 CHIPS Act. EX1026.

Like the Chinese integrated circuit fund, the CHIPS Act constitutes state investment in Patent Owner and was intended to “help the U.S. grow its share of advanced memory manufacturing” and to “strengthen U.S. economic resiliency by bolstering a reliable domestic supply of leading-edge DRAM chips.” *Id.* If taking passive investment from a government source makes the government an RPI, then Patent Owner’s direct investment from the U.S. government would mean that it should identify the U.S. government as an RPI when it files or defends against IPRs—something that it has never done in its 30+ IPRs filed since the CHIPS Act passed. *See, e.g.,* Paper 3; *see also* EX1027; EX1028.

Patent Owner’s Entity List and CMC List allegations (both of which Petitioner disagrees with and is currently disputing through the entities tasked with those determinations) are similarly misleading. The Entity List identifies entities “subject to specific license requirements for the export, reexport and/or transfer (in-country) of specified items.” EX1029. Petitioner’s inclusion on the Entity List does not state or suggest that it is owned or controlled by the Chinese government—rather, BIS explained that the reason for Petitioner’s inclusion is exclusively the alleged “risk of diversion to [other] parties on the Entity List.” EX1030, 77506. Neither ownership nor control are a reason for inclusion on the Entity List. *See* 15 C.F.R. § 744.11 (listing criteria). With respect to the CMC List, Patent Owner inaccurately argues that inclusion means that a company is an alleged “entity that is owned and/or

controlled by the Chinese government.” DD Req. 12. Patent Owner strategically omits that there is an alternative reason for inclusion on the list that is unrelated to ownership or control. *See* H.R. 6395, 116th Cong. § 1260H(d)(1)(B)(II) (2021). For example, a company may be added to the CMC List on a finding that it is “affiliated with the Chinese Ministry of Industry and Information Technology, including research partnerships and projects.” *Id.* § 1260H(d)(2)(B). The DOD has not specified the reason for Petitioner’s inclusion on the CMC List, which may be wholly unrelated to any alleged ownership/control by the Chinese government, and thus irrelevant to this IPR.

In aggregate, Patent Owner’s allegations are not only unsupported, but irrelevant. Patent Owner’s evidence does not suggest that the Chinese government has control over Petitioner or that it has any involvement at all except as a passive investor in the investors in Petitioner’s parent. Because Petitioner functions as an independent, private company, with sole control over how it conducts itself in this proceeding, and there is no evidence to the contrary, Patent Owner’s arguments should be rejected.

B. Patent Owner’s Arguments Are Contrary to Law

1. Petitioner is a “person” entitled to file an IPR

Patent Owner asserts that Petitioner is not a statutorily authorized “person” under 35 U.S.C. § 311(a) entitled to file an IPR petition under the Supreme Court’s

holding in *Return Mail, Inc. v. U.S. Postal Service*, 587 U.S. 618 (2019). DD Req. 16-20. Notably, the Board in the '098 IPR expressly rejected this same argument, finding that “it does not disprove that YMTC is a company, and therefore a ‘person’ under § 311 regardless of whether it is also a government entity.” IPR2025-00098, Paper 15 at 16. Patent Owner does not dispute that YMTC is a company. *See, e.g.*, DD Req. 7 (stating that “YMTC is China’s State-Owned NAND Memory **Company**”). Thus, as a company, YMTC constitutes a “person” under the express language of the Dictionary Act, which is eligible under 35 U.S.C. § 311(a) to file a petition for IPR. 1 U.S.C. § 1. Patent Owner has not provided any binding precedent, nor any persuasive argument, that the holding of *Return Mail* should be extended to exclude a “company”—even if such company were under the control of a foreign government—from the express definition of a “person” under 1 U.S.C. § 1. *See* IPR2025-00098, Paper 15 at 17.

Moreover, Patent Owner’s argument that Petitioner is not a “person,” based on *Return Mail*, is misguided. *Return Mail* was largely based on statutory restrictions against suing the U.S. government for infringement that do not apply to Petitioner, and Patent Owner’s argument was rejected by the Federal Circuit in analogous circumstances.

In *Return Mail*, the Supreme Court held a U.S. government agency (the U.S. Postal Service) was not a “person” and thus could not file an IPR because “federal

agencies face lower risks [so] it is reasonable for Congress to have treated them differently” than an individual or a private party. 587 U.S. 618, 625, 635-636 (2019). Non-government actors “face greater and more uncertain risks if they misjudge their right to use technology” including because 28 U.S.C. § 1498 places several restrictions on patent owners suing the Government, which are not applicable to shield non-government actors from patent infringement claims. *Id.* (listing restrictions). None of these restrictions applies to Patent Owner’s infringement counterclaim against Petitioner, which faces all of the same potential liability as any other private company, particularly given Patent Owner’s decision to bring its allegations of Chinese control at the PTAB but not at the NDCA case.

Patent Owner improperly equates YMTC—a private company with multiple shareholders—with the U.S. Postal Service—a federal agency. The Supreme Court held that the USPS is a federal agency. *See Return Mail*, 587 U.S. at 637 (“a federal agency is not a ‘person’ who may petition for post-issuance review under the AIA”); *Id.* at 627 (statutory definition of person includes “companies” but not the Federal Government). Patent Owner does not contest that the U.S. Postal Service is a federal agency and that YMTC is a company.

Beyond this textual analysis (which is itself dispositive), Patent Owner’s arguments also fail to address the U.S. government-specific analysis set forth in *Return Mail*. As the Board in the ’098 IPR explained, *Return Mail* was based on

factors specific to the U.S. government (such as limitations on patent owners' rights when bringing claims against the U.S. and on problems with inter-agency proceedings), which do not apply to YMTC. IPR2025-00098, Paper 15 at 18-19. As also noted in *Tik Tok Inc. v. Cellspin Soft, Inc.*, the “overarching notion underlying *Return Mail*’s analysis is that the U.S. Government is treated differently than private parties in adversarial, adjudicatory patent proceedings.” IPR2024-00757, Paper 33 at 12-13 (PTAB June 2, 2025), Director review granted, Paper 34 (PTAB June 5, 2025); ⁴ *see also, e.g., Return Mail*, 587 U.S. at 634–636 (stating how the U.S. government is “in a unique position among alleged infringers given that 28 U.S.C. § 1498 limits patent owners to bench trials before the Court of Federal Claims”), 636 n.10 (discussing estoppel procedures that may not be applicable to the U.S. government), 636 (discussing the “awkward situation” that might arise as a result from a civilian patent owner defending their patent in “an adversarial proceeding initiated by one federal agency (such as the Postal Service) and overseen by a different federal agency (the Patent Office).” Patent Owner does not address that

⁴ Director Review was granted in the *TikTok* proceedings due to “novel issues presented.” IPR2024-00757, Paper 34 at 3. This matter is distinguishable from *TikTok* at least because it involves different parties, a different procedural posture, and a different record. Additionally, unlike in *TikTok*, Patent Owner has filed its own IPRs against Petitioner relating to the NDCA case such that denying Petitioner the same opportunity would be inequitable. *See, e.g.,* IPR2024-00788 to -00795, -00909 to -00912; IPR2025-00034 to -00035, -00117 to -00119, -00189-00191, -00228 to -00229, -00244 to -00245, and -00294.

these same considerations apply to a foreign government or foreign government entity, such that we should extend *Return Mail*'s holding to foreign governments or foreign government entities. *See* IPR2025-00098, Paper 15 at 18-19.

A more apt comparison is *Bozeman Fin. LLC v. Fed. Rsrv. Bank of Atlanta*, in which the Federal Circuit determined that Federal Reserve banks were “persons” under the AIA in the aftermath of the *Return Mail* decision:

It is significant that the Banks are subject to suit for patent infringement in any court. The Supreme Court recognized that federal agencies face less risk for patent infringement than do private entities, and recognized that lessened risk as a reason for Congress to treat federal agencies differently. A patent owner's remedy is limited when it sues the government rather than private entities. Patent owners' ability to sue the Banks in any district court, and to seek remedies they would be prohibited from in a suit against the government, favors a finding that the Banks are separate from the government and Congress intended the Banks have access to post-issuance proceedings.

955 F.3d 971, 975-76 (Fed. Cir. 2020) (citations omitted). *Bozeman* thus counsels that Petitioner, a private entity subject to suit in district court (as shown by the lawsuit that Patent Owner filed against Petitioner), is a “person” entitled to file an IPR petition.

The Federal Circuit's reasoning is even more applicable to Petitioner than it was to the banks in *Bozeman*. There plaintiff argued that the banks were “operating

members of the nation’s Federal Reserve System, which is a federal agency, meaning they are government entities” and that they “implement the monetary and fiscal policies of the United States, conduct important governmental functions, and any profit generated by the Banks is transferred to the United States Treasury.” *Id.* at 975. Petitioner is not a government entity and does not have any of the advantages that the U.S. government enjoys defending itself in court.

Because *Return Mail* is distinguishable and *Bozeman* counsels that Petitioner is a statutory “person,” Patent Owner’s argument is legally flawed and should be rejected.

2. The Chinese government is not an RPI

Patent Owner never explains how the Chinese government⁵ controlled or could have controlled this proceeding, or how this petition was “filed at another party’s behest.” *Uniloc 2017 LLC v. Facebook Inc.*, 989 F.3d 1018, 1027–28 (Fed. Cir. 2021). To identify RPIs, “[r]elevant considerations may include, whether a

⁵ Patent Owner refers to the “Chinese government” as an unnamed RPI but does not identify what the “Chinese government” is. *See, e.g.*, DD Req. 3–5 (referring to “China’s State Council”), 7 (municipal governments), 7–9 (identifying the seven shareholders of YMTC Holding as “state-owned enterprises”), 9 (stating the actual controller of the Yangtze River Industrial Investment Group is the “administration of Wuhan East Lake High-tech Development Zone”), 9 (stating the actual controller of the Yangtze River Industrial Group is the “Hubei Provincial State-owned Assets Supervision and Administration Commission”). *See* IPR2025-00098, Paper 15 at 19, n. 7.

party exercises [or could exercise] control over a petitioner's participation in a proceeding, or whether a party is funding the proceeding or directing the proceeding.” *Id.* (cleaned up).

Patent Owner's bare allegations that Petitioner's parent company has investors that took investment from the Chinese government do not suggest that the government specifically funded this proceeding or that it had an opportunity to control Petitioner's filing of these IPR petitions against Patent Owner. At most, Patent Owner argues that the Chinese government gets a benefit from this proceeding because it has investors in the company. DD Req. 20-24. But having investors has never been the standard for identifying RPIs. Accepting this argument would mean that every investor (or at least every major investor) in a company is an RPI, and therefore that the estoppel from a one-year bar or final written decision would infect dozens of companies that had nothing to do with the lawsuit or the IPR. For example, Patent Owner would be an RPI with its investors, which in turn would be RPIs with many of the biggest public technology companies in the U.S. EX1031; EX1032 (Patent Owner's biggest investors also invest in many other tech companies). Worse yet, under Patent Owner's argument, when a state invests in a company, every company that the state has invested in would have the same estoppel profile as the state—impacting hundreds of other companies.

Because the Chinese government is not an RPI, and because Patent Owner's

argument would drastically expand the definition of RPI and the corresponding requirement to identify RPIs, the Director should reject that argument.

Patent Owner's alternative argument that Petitioner should have identified YMTH as an RPI lacks merit because Patent Owner never argues nor provides evidence that YMTH controlled or could control this proceeding. *See VirnetX Inc. v. Mangrove Partners Master Fund, Ltd.*, 778 F. App'x 897, 903 (Fed. Cir. 2019) (investment manager of petitioner was not an RPI, even after transmitting money to finance the proceedings).

Even assuming, *arguendo*, that the "Chinese government" or YMTH could be considered an unnamed RPI, Patent Owner has not shown that any such omission warrants discretionary denial. As the Board already held in the related '098 IPR, Patent Owner "does not sufficiently show that the failure to identify the RPI is a reason to decline to institute this proceeding." IPR2025-00098, Paper 15 at 19. Patent Owner has not asserted that a statutory bar or other estoppel would apply to either the Chinese government or YMTH in this proceeding. *Id.* at 20 (citing 35 U.S.C. § 315(b)). Precedential PTAB decisions hold that Petitioner could add an RPI without necessitating a new filing date. *See SharkNinja Operating LLC v. iRobot Corp.*, IPR2020-00734, Paper 11, 18 (PTAB October 6, 2020) (precedential); *Lumentum Holdings, Inc. v. Capella Photonics, Inc.*, IPR2015-00739, Paper 38 at 6 (PTAB March 4, 2016) (precedential) (stating that a petition may be corrected,

including adding a real party in interest, without assigning a new filing date).

Indeed, in *Unified Patents, LLC v. MemoryWeb, LLC*, the Director reaffirmed the *SharkNinja* precedent, emphasizing that it “best serves the Office’s interests in cost and efficiency to not resolve an RPI issue when it would not create a time bar or estoppel under 35 U.S.C. § 315 in that proceeding.” *Unified Patents, LLC v. MemoryWeb, LLC*, IPR2021-01413, Paper 76 at 4 (PTAB May 22, 2023) (vacating the Board’s RPI determination in the Final Written Decision as not necessary to resolve the proceeding, such as a time bar under § 315(b) or estoppel under 35 U.S.C. § 315(e)). Here, Patent Owner has not alleged—and cannot show—that either the Chinese government or YMTH has been sued for patent infringement. Accordingly, Patent Owner has not demonstrated that any determination as to whether the Chinese government or YMTH is an RPI, or in privity with Petitioner, would impact this proceeding or give rise to a time bar or estoppel. IPR2025-00098, Paper 15 at 20.

Nonetheless, to the extent that the Director determines that YMTH should be identified, Petitioner is willing to amend its identification of RPIs to include YMTH. Such an amendment should not change the filing date afforded to the petition. *See Wi-Fi One v. Broadcom Corp*, 878 F.3d 1364, 1374, n.9 (Fed. Cir. 2018) (*en banc*) (“[I]f a petition fails to identify all real parties in interest under § 312(a)(2), the Director can, and does, allow the petitioner to add a real party in interest.”); *Adello Biologics LLC v. Amgen Inc*, PGR2019-00001, Paper 11 (precedential). Patent

Owner has long been on notice of YMTH’s interest, at least from Petitioner’s November 2023 disclosure in the NDCA case. EX2021; *see Mayne Pharma Int’l Pty. Ltd. v. Merck Sharp & Dohme Corp.*, 927 F.3d 1232, 1239 (Fed. Cir. 2019) (allowing amendment of RPIs to include a party identified in parallel district court litigation).

As to Patent Owner’s contention that the Chinese government may file additional IPR proceedings through other Chinese semiconductor companies if this Petition is denied or unsuccessful and that RPI provisions seek to protect patent owners from harassment via “successive petitions by the same or related parties” (DD Req. 30-31)—such concerns are unfounded and speculative. The PTAB has already established mechanisms to prevent abusive or duplicative proceedings if they arise. *See* IPR2025-00098, Paper 15 at 20-21 (citing Patent Trial and Appeal Board Consolidated Trial Practice Guide (November 2019) (“Consolidated TPG”), 55–63; *General Plastic Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 15–18 (PTAB September 6, 2017) (precedential) (recognizing the “potential for abuse of the review process by repeated attacks on patents” and setting forth factors to consider in exercising discretion on instituting inter partes review as to “follow-on” petitions challenging the same patent previously challenged in an *inter partes* review proceeding).

3. The Director should not exercise discretion to deny the Petition

Patent Owner (DD Req. 32-34) relies on *Microsoft Corp. v. Science Applications Int'l Corp.* to argue that the Director should discretionally deny this Petition, but that case is inapposite. IPR2019-01311, Paper 35 (PTAB January 27, 2020). There, the patent owner initially sued the U.S. government (not a private company) at the Court of Federal Claims. *Id.* at 3. Microsoft had a contract with the government to produce the allegedly infringing technology, and therefore filed IPR petitions, but these petitions were not filed until more than one year after the lawsuit against the government was filed. *Id.* at 7-8. The Board concluded that Microsoft would have “no interest” in “seeking invalidity of the challenged claims but for the Contract” and that “the Petition and the infringement claims against the government are intertwined.” *Id.* at 9. The Board also pointed to “evidence of at least some pre-filing communication” and of the relationship between the parties. *Id.* at 1.

In contrast, here the related district court litigation is not a suit against the Chinese government (but directly against Petitioner), there is no similar estoppel issue, and there are no allegations, let alone evidence, of any coordination between the Chinese government and Petitioner as to this IPR. *See* IPR2025-00098, Paper 15 at 23 (finding that “[u]nlike in *Microsoft*, in which the statutory bar under 35 U.S.C. § 315(b) applied because the U.S. government had been sued more than one year

prior, there is no argument in the present proceeding that the Chinese government has been sued for patent infringement or is otherwise subject to a statutory bar under § 315(b)"). Instead, Petitioner has a clear interest in the district court lawsuit by virtue of being accused there of patent infringement.

Patent Owner's additional arguments for discretionary denial (DD Req. 34-37) rely again on its conclusory allegation that the Chinese government owns and controls Petitioner, which is unsupported by its alleged evidence, and which is contrary to the position that Patent Owner took at the NDCA case. Appealing to xenophobic fears, Patent Owner further urges the Director to make a political decision—discretionarily denying any IPR petition that is filed by a company that has Chinese (or any other state) investment, no matter how far removed from its day-to-day operations. DD Req. 35-36. The Director should reject Patent Owner's attempt to inject its political biases into this IPR.

VI. CONCLUSION

For the above reasons, Petitioner respectfully requests that the Director refrain from exercising discretion to deny this Petition, and instead pass it to a merits panel for consideration.

Respectfully submitted,

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CERTIFICATION UNDER 37 C.F.R. § 42.24

This Petitioner's Opposition to Patent Owner's Request for Discretionary Denial complies with the requirements of 37 C.F.R. § 42.24. As calculated by the word count feature of Microsoft Word, it contains 8,000 words, excluding the parts exempted by § 42.24.

/Zhiwei Zou/

Zhiwei (Wayne) Zou

Registration No. 66,041

Lead Counsel for Petitioner

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing **Petitioner's Opposition to Patent Owner's Request for Discretionary Denial and Exhibits 1025-1032** were served on July 17, 2025, via email, as agreed to by counsel of record for the Patent Owner, at the following.

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