

Patent Owner's Brief in Support of Request for Discretionary Denial
IPR2025-00690 (U.S. Patent No. 9,402,120)

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SKULLCANDY, INC.,
Petitioner,

v.

EARIN AB,
Patent Owner.

Case IPR2025-00690
Patent 9,402,120

**BRIEF IN SUPPORT OF PATENT OWNER'S REQUEST
FOR DISCRETIONARY DENIAL**

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35 U.S.C. § 10120

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PATENT OWNER’S EXHIBIT LIST

No.	Exhibit Description
2001	USPTO rescinds memorandum addressing discretionary denial procedures (dated Feb. 28, 2025), <i>available at</i> https://www.uspto.gov/about-us/news-updates/uspto-rescinds-memorandum-addressing-discretionary-denial-procedures
2002	Scott R. Boalick, Chief Administrative Patent Judge, Guidance on USPTO’s recission of “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation” (dated Mar. 24, 2025)
2003	<i>Earin AB v. Skullcandy, Inc.</i> , No. 1:24-cv-00275-RGA-SRF, Oral Order Denying Stay Pending IPR, Dkt. No. 46 (D. Del. May 2, 2025)
2004	<i>Earin AB v. Skullcandy, Inc.</i> , No. 1:24-cv-00275-RGA-SRF, Scheduling Order, Dkt. No. 23 (D. Del. Dec. 18, 2024)
2005	<i>Earin AB v. Skullcandy, Inc.</i> , No. 1:24-cv-00275-RGA-SRF, Plaintiff Earin AB’s Initial Infringement Contentions and Claim Charts (D. Del., served Mar. 27, 2025)
2006	<i>Earin AB v. Skullcandy, Inc.</i> , No. 1:24-cv-00275-RGA-SRF, Defendant’s Initial Invalidity Contentions (D. Del., served May 1, 2025)
2007	Coke Morgan Stewart, Acting Under Secretary of Commerce for Intellectual Property and Acting Director of the USPTO, Interim Processes for PTAB Workload Management (dated Mar. 26, 2025)
2008	<i>Earin AB v. Skullcandy, Inc.</i> , No. 1:24-cv-00275-RGA-SRF, Stipulated Protective Order, Dkt. No. 30 (D. Del. Jan. 16, 2025)
2009	FAQs for Interim Processes for PTAB Workload Management, <i>available at</i> https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management
2010	Maintenance fee record from the USPTO for U.S. Patent No. 9,402,120

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No.	Exhibit Description
2011	Assignment record from the USPTO for U.S. Patent No. 9,402,120
2012	U.S. Patent No. 9,900,680 to Milam et al.
2013	June 14, 2017 Office Action and Notice of References Cited from file history of U.S. Patent No. 9,900,680
2014	Federal Court Management Statistics for the District of Delaware, for time period from March 31, 2019 through March 31, 2025
2015	<i>Earin AB v. Skullcandy, Inc.</i> , No. 1:24-cv-00275-RGA-SRF, Complaint, Dkt. No. 1 (D. Del. Mar. 1, 2024)

I. INTRODUCTION

Patent Owner Earin AB respectfully requests that the Board exercise its discretion and deny institution of this Petition for *inter partes* review of U.S. Patent No. 9,402,120 (Ex. 1001, “the ’120 patent”) under 35 U.S.C. § 314(a).

First—and particularly in light of the Patent Office’s recent guidance reaffirming prior discretionary denial practices—the Board should exercise its discretion and deny institution based on application of the *Fintiv* factors. Owing to Petitioner Skullcandy, Inc.’s substantial delay in filing the Petition, filing on the *last possible day* it could before a statutory time bar would have applied to it and *nearly nine years after* it was first aware of the ’120 patent, trial in the parallel proceeding will occur a month-and-a-half before the Board’s deadline to issue a final written decision. The Petition and the district court litigation also raise substantially overlapping issues, and Petitioner’s stipulation does little to quell concerns of inefficiency and inconsistent rulings. Finally, as will be addressed in detail in Patent Owner’s forthcoming preliminary response, the merits of the Petition are weak because none of the cited references alone or in combination teaches or suggests numerous limitations of both challenged claims.

Second, the Board should also exercise its discretion and deny institution under the factors that Director Stewart outlined in her recent March 26, 2025 memorandum. Specifically, the Director lists, among others, the following non-

exclusive factors:

- The strength of the unpatentability challenge;
- The extent of the Petition’s reliance on expert testimony;
- Settled expectations of the parties, such as the length of time the claims have been in force; and
- Compelling economic interests.

Each of these additional factors further support discretionary denial here—the merits of the Petition are weak; the Petition extensively relies on and largely parrots a conclusory expert declaration; the claims have been in force for many years and never been subject to challenge at the Office until this Petition, despite Petitioner being aware of this patent for *nearly nine years* prior to filing; and Patent Owner has expended significant economic resources to develop the patented technologies as well as maintain and license the ’120 patent.

II. INSTITUTION SHOULD BE DENIED UNDER *FINTIV*

The Board should exercise its discretion to deny institution under *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv I*”); *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (precedential as to § II.A) (“*Sotera*”); and their progeny, in accordance with the USPTO’s February 28, 2025 guidance withdrawing former Director Vidal’s June 21, 2022 memorandum entitled “Interim Procedure for

Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation.” See Ex. 2001 (withdrawing former Director Vidal’s memorandum and citing *Fintiv I* and *Sotera*); see also Ex. 2002 (March 24, 2025 memorandum by Chief APJ Boalick providing further guidance on the rescission).

Under those authorities, the Board may deny institution of petitions when related litigation is co-pending and an IPR would not be “an effective and efficient alternative to district court litigation.” *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 20 (PTAB Sept. 12, 2018) (precedential) (“*NHK*”) (quoting *Gen. Plastic Indus. Co. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 16-17 (PTAB Sept. 6, 2017) (precedential) (“*General Plastic*”)). When evaluating whether to deny a petition under *Fintiv*, the Board balances six factors:

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board’s exercise of discretion, including the merits.

Fintiv I at 5-6. “These factors relate to whether efficiency, fairness, and the merits support the exercise of authority to deny institution in view of an earlier trial date in the parallel proceeding.” *Id.* When analyzing and weighing these factors, the Board takes “a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Id.*

Each of the six *Fintiv* factors weigh in favor of denying the Petition:

(1) Petitioner's pre-institution stay was denied, and Petitioner has not indicated it will seek to renew that motion if institution is granted;

(2) Trial in the district court will occur well over a month before the projected issuance of a final written decision in this proceeding;

(3) The parties have already conducted significant discovery, and the Court will have held a *Markman* hearing and likely issued its claim construction order at the time of the Board's institution decision;

(4) There is substantial overlap in invalidity issues, as the challenged claims are the only asserted claims and the Petition's primary references are heavily relied upon at the district court, including in combinations with system art that could not have been raised in the Petition;

(5) The Petitioner and Defendant in the parallel proceeding are the same party;
and

(6) Among other considerations, not only did Petitioner unduly delay in filing

the Petition, but the Petition also fails to establish a reasonable likelihood of success as to any challenged claim.

A. *Fintiv* Factor 1: Petitioner's pre-institution stay was denied, and Petitioner has not indicated it intends to renew that motion post-institution.

Petitioner requested a pre-institution stay in the parallel district court proceeding, but the court denied that stay on the basis "that institution and subsequent invalidation is too speculative." Ex. 2003 at 1. Although the court indicated that Petitioner may later renew its motion after any institution decision, Petitioner has made no indication it intends to do so. *See id.*

Because there is no evidence indicating that a post-institution stay will be sought or granted in the parallel proceeding, the first *Fintiv* factor weighs in favor of denying institution.

B. *Fintiv* Factor 2: Trial in the district court will occur one-and-a-half months before the Board's deadline for a final written decision.

"If the court's trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution." *Fintiv I* at 9.

Here, the deadline for a final written decision in this IPR is October 16, 2026, which may be extended to April 16, 2027, for good cause or in the case of joinder. 37 C.F.R. § 42.100(c). Meanwhile, the district court in the parallel proceeding has

set a trial date of August 31, 2016. *See* Ex. 2004 at 10. This trial date is consistent with the median time to trial statistics for the District of Delaware, which show that median time to trial is approximately 33 months from filing of the complaint. Ex. 2014. Here, the district court set trial approximately 30 months after the complaint was filed. *See* Ex. 2015; Ex. 2004 at 10.

Because all information available indicates that the Board's projected date for issuance of a final written decision on October 16, 2026 is one-and-a-half months *after* the district court's scheduled trial date of August 31, 2026, the second *Fintiv* factor weighs against institution. Indeed, the Board has weighed this factor as favoring denial for the same and similar time gaps between trial in the parallel proceeding and a final written decision. *See, e.g., Shenzhen Tuozhu Tech. Co., Ltd. v. Stratasys, Inc.*, IPR2025-00354, Paper 11 at 2 (PTAB June 12, 2025) (Stewart, Acting Director) ("*Shenzhen*") (denying institution where the district court trial was set to occur *one-and-a-half months* prior to the projected final written decision due date because "[e]xercising discretion to deny the petition in this case reduces the inefficiencies and burdens on the parties to maintain two parallel proceedings"); *EClinicalWorks, LLC v. Decapolis LLC*, IPR2022-00229, Paper 10 at 9 (PTAB Apr. 13, 2022) ("*EClinicalWorks*") (finding this factor weighed in favor of discretionary denial and denying institution where "the beginning of the jury trial in the WDTX Cases is roughly *one or two months* before any final decision would have been due

had *inter partes* review been instituted”);¹ *Samsung Elecs. Co. v. SiOnyx, LLC*, IPR2025-00064, Paper 16 at 11 (PTAB June 6, 2025) (“*SiOnyx*”) (denying institution in part because the trial date was two months earlier than the final written decision deadline); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 13 (PTAB May 13, 2020) (“*Fintiv I*”) (same); *NXP USA, Inc. v. Impinj, Inc.*, PGR2022-00005, Paper 17 at 9 (PTAB May 2, 2022) (“*NXP*”) (same), *reh’g denied*, Paper 20 (PTAB Aug. 25, 2022).

Granting institution here would frustrate one of the primary objectives of the AIA, which is “to provide an effective and efficient alternative” to district court litigation. *NHK* at 19-20 (quoting *General Plastic* at 15-19). If the Board were to institute this Petition, any potential final written decision would issue after the district court trial concludes. Instituting IPR under such circumstances could not be viewed as an “alternative” to litigation—but would instead simply create more litigation, in a separate forum.

Petitioner contends that “[w]hether the August 2026 [trial] date will hold is speculative, given the unpredictability of litigation.” Pet. at 46. But here, the court in the parallel litigation has specifically advised the parties that they “should proceed on the assumption that institution will be denied and the present schedule will be

¹ All emphases added unless otherwise noted.

kept.” Ex. 2003 at 1. “[B]ased on the evidence of record, there is no evidence to suggest that trial will be delayed.” *Nine Energy Serv. Inc. v. NCS Multistage Inc.*, IPR2020-01615, Paper 18 at 9 (PTAB Mar. 24, 2011); *see also NXP* at 9 (“We generally take courts’ trial schedules at face value absent some strong evidence to the contrary.”) (quoting *Fintiv II* at 13). And as noted above, the set trial date is consistent with trial statistics from the district.

Because the district court’s trial date is one-and-a-half months before the anticipated final written decision date, and there is no evidence that trial date will change, the second *Fintiv* factor weighs in favor of denial.

C. *Fintiv* Factor 3: The court and the parties have substantially invested in the parallel proceeding, and Petitioner unduly delayed in filing the Petition.

Factor 3 relates to the “amount and type of work already completed in the parallel litigation by the court and the parties *at the time of the institution decision.*” *Fintiv I* at 9. For example, “if, at the time of the institution decision, the district court has issued substantive orders related to the patent at issue in the petition,” this factor favors denial. *Id.* at 9-10. “Likewise, district court claim construction orders may indicate that the court and parties have invested sufficient time in the parallel proceeding to favor denial.” *Id.* at 10.

Here, Petitioner and Patent Owner have already invested substantial resources in the parallel proceeding, including providing infringement and invalidity

contentions, producing documents, and serving and responding to written discovery. *See* Ex. 2004 at 1, 3-4. Moreover, upon projected issuance of an institution decision, on or about October 16, 2025, the parties will have substantially completed all document production; the Court will also have held the *Markman* hearing on September 18, 2025, and likely issued its claim construction order. *See id.* at 1, 7. There can be no doubt that a claim construction order is a “substantive order.” *See Fintiv I* at 9-10.

Because of the substantial investments that either have already been made or will have been made by the parties and the Court as of the time for the institution decision, the third *Fintiv* factor weighs in favor of denying institution. *See, e.g., Advanced Micro Devices, Inc. v. Concurrent Ventures, LLC*, IPR2025-00223, Paper 9 at 2 (PTAB June 12, 2025) (Stewart, Acting Director) (denying institution even though the district court trial would occur *after* the due date for a final written decision as a result “of the parties’ meaningful investment in the district court proceeding”—discovery was underway and *Markman* hearing was set to occur before the due date for an institution decision); *Roku, Inc. v. IOEngine, LLC*, IPR2022-01551, Paper 11 at 12 (PTAB May 5, 2023) (denying institution in part because claim construction was complete and fact discovery was nearly completed); *10X Genomics, Inc. v. President & Fellows of Harvard College*, IPR2023-01299, Paper 15 at 18 (PTAB Mar. 7, 2024) (same); *Samsung Elecs. Co. v. Mojo Mobility*

Inc., IPR2023-01094, Paper 11 at 9 (PTAB Feb. 9, 2024) (same).

Of course, the reason that the District Court litigation will be so far along at the time of institution is because Petitioner unduly delayed in filing the Petition, waiting until the *last possible day* to file. The Petition was filed on March 7, 2025, and Petitioner admits that it was served with the district court complaint on March 7, 2024. Pet. at 45. If Petitioner would have filed just one day later, the Petition would have been statutorily barred by 35 U.S.C. § 315(b). To make matters worse, the record evidence demonstrates Petitioner was aware of the '120 patent for *nearly nine years* before it filed the Petition. *See infra* § III.C. Petitioner offers no explanation for its extensive delay.

Because there has been substantial investment in the parallel proceeding, and Petitioner unduly delayed in filing the Petition, Factor 3 weighs against institution.

D. *Fintiv* Factor 4: The petition and the parallel proceeding raise substantially overlapping issues, and Petitioner's stipulation does little to quell concerns of inefficiency and inconsistent rulings.

This factor looks at “whether all or some of the claims challenged in the petition are also at issue in district court” and whether the “petition includes the same or substantially the same claims, grounds, arguments, and evidence” as the parallel district court case. *Fintiv I* at 12-13. Here, all challenged claims are asserted in the

parallel proceeding, and the prior art references applied in the Petition are also relied upon at the district court.

First, the Petition challenges claims 20 and 21 of the '120 patent, and those are the only claims currently asserted in the litigation. Pet. at 1; Ex. 2005 at 1. The complete overlap of the claims at issue counsels against institution. *See, e.g., Pharaoh Energy Servs., LLC v. Flex-Chem Holding Co.*, IPR2024-00815, Paper 7 at 13-14 (PTAB Sept. 20, 2024) (denying institution in part because the same claims were challenged at the PTAB and asserted in litigation); *EClinicalWorks* at 12 (same).

Second, at the district court, Petitioner relies on all of the prior art references presented in this proceeding (Olodort, Guccione, Yamashita, and the Bluetooth Specification Version 4.1). Ex. 2006 at 2-3. The Petition's common prior art challenges to the exact same claims renders "the overlap in issues between the two proceedings . . . substantial." *See, e.g., Code200, UAB v. Luminati Networks, Ltd.*, IPR2020-01506, Paper 10 at 11-12 (PTAB Feb. 16, 2021) (finding Factor 4 weighed in favor of denial of institution where there were common prior art challenges between the proceedings); *see also U.S. Venture, Inc. v. Sunoco Partners Mktg. & Terminals LP*, IPR2020-00728, Paper 10 at 11-12 (PTAB Oct. 1, 2020) (holding that overlap between primary references, even without overlap of all secondary references, weighed in favor of institution denial), *reh'g denied*, Paper 13 (PTAB

Dec. 17, 2020).

Although the Petition presents a *Sotera* stipulation, that fact is not dispositive under the Office's current discretionary denial policies; rather, "the Board will consider such a stipulation as part of its holistic analysis under *Fintiv*." *See* Ex. 2002 at 2-3. And here, the Board should give the stipulation, at best, little weight because Petitioner does not stipulate that it will not assert products or systems in combination with prior art that it has raised or could have raised before the Board. Rather, Petitioner expressly reserves the right to do so. In its invalidity contentions, it lists the "Striva Tap wireless earbud products" as alleged prior art products, and indicates that it plans to allege that one or more of those products, in combination with the art raised in the Petition as well as numerous other patents and printed publications, invalidates claims 20 and 21 of the '120 patent. Ex. 2006 at 2-4. "Petitioner's [*Sotera*] stipulation does not ensure that these IPR proceedings would be a 'true alternative' to the district court proceeding. Petitioner's invalidity arguments in the district court are more expansive and include combinations of the prior art asserted in these proceedings with unpublished system prior art, which Petitioner's stipulation is not likely to moot." *Motorola Solutions, Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19 at 3-4 (PTAB Mar. 28, 2025) (Stewart, Acting Director) (citation omitted), *reh'g denied*, Paper 23 (PTAB May 23, 2025); *see also* *SiOnyx* at 14-16, 21; *Shenzen* at 2-3.

Because of the substantial overlap of claims and prior art at issue, as well as Petitioner's failure to offer a stipulation that quells efficiency concerns stemming from that overlap, the fourth *Fintiv* factor weighs in favor of denying institution.

E. *Fintiv* Factor 5: Petitioner is the parallel proceeding defendant.

The Petition concedes that Petitioner is the defendant in the parallel proceeding. Pet. at 46. "Because the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial."

Fintiv II at 15.

F. *Fintiv* Factor 6: Other circumstances weigh strongly against institution, including the weakness of the Petition, Petitioner's delay, and the additional considerations set forth by the Director.

This factor looks at "other circumstances that impact the Board's exercise of discretion, including the merits." *Fintiv I* at 9. This factor weighs heavily against institution for four reasons.

First, contrary to Petitioner's assertion, the merits of this Petition suffer from significant weaknesses and gaps in proof, as discussed briefly below and in more detail in Patent Owner's forthcoming preliminary response. However, where the bulk of the *Fintiv* factors weigh in favor of denial—as shown above—the Board has found that it "need not decide whether the merits of Petitioner's asserted grounds are particularly strong because it would not impact [the] ultimate determination"

concerning institution. *NXP* at 12-13; *see also Apcon, Inc. v. Gigamon Inc.*, IPR2020-01579, Paper 9 at 26 (PTAB Mar. 16, 2021) (denying institution because “the merits of the Petitioner’s grounds do not outweigh the[] other [*Fintiv*] factors”).

Indeed, the Board has denied institution under *Fintiv*, its progeny, and recent Office guidance even where “Petitioner’s obviousness challenges meet the standard for institution.” *Eunsung Global Corp. v. Hydrafacial LLC*, IPR2024-01491, Paper 17 at 16-17 (PTAB Apr. 11, 2025); *see also Toyota Motor Corp. v. Emerging Auto. LLC*, IPR2024-00785, Paper 13 at 15-16 (PTAB Mar. 11, 2025) (denying institution under *Fintiv* and noting that “[a]lthough we determine that Petition adequately shows a reasonable likelihood of success . . . , we do not find the merits to be particularly strong on the record”), *Director review denied*, Paper 16 (May 27, 2025). And the Board has also recently denied institution under *Fintiv* even where it finds Petitioner’s “case on the merits is strong.” *SiOnyx* at 16-20.

Nonetheless, while the weight of the preceding five factors on their own heavily merit the Board denying institution of the Petition, as will be explained in detail in the forthcoming preliminary response, the Petition has also failed to demonstrate a reasonable likelihood of success as to either challenged claim. The Petition asserts three grounds of alleged unpatentability of the ’120 patent, none asserting anticipation: (1) obviousness in light of Olodort in combination with Guiccione; (2) obviousness in light of Olodort in combination with Guiccione in

further view of Yamashita; and (3) obviousness in light of Olodort in combination with Guiccione in further view of Bluetooth Specification 4.1, optionally in further view of Yamashita. Pet. at 12.

Among other deficiencies that will be detailed in the forthcoming preliminary response, the Petition does not establish that the cited art discloses or renders obvious key limitations such as “idle mode, wherein existing connections to a second wireless earbud and to a wireless audio streaming host device will be disconnected,” as required by both challenged claims. Ex. 1001 at 14:61-63. In addition, and again among other deficiencies, the Petition does not establish that in the circumstance where “reconnection with *the wireless audio streaming host device* fails,” that the cited art discloses or renders obvious “initiat[ing] a pairing procedure with the *wireless audio streaming host device and other **known** wireless audio streaming host devices if applicable*,” as also required by both challenged claims. *Id.* at 15:11-14. Given none of the references alone or in combination teaches or suggests numerous limitations of both challenged claims, the unpatentability challenges alleged in the Petition are weak and will not be successful.

Second, because the Petition addresses only anticipation and obviousness issues in view of patents and printed publications, IPR proceedings are not a vehicle to settle all validity questions concerning the challenged patent, and in fact leaves other related questions for the district courts to decide. *See, e.g.,* Ex. 2006 at 5-12

(Petitioner’s invalidity contentions asserting grounds under 35 U.S.C. § 101). And when a patent survives an IPR, it in fact ***adds*** complexity to the proceeding—the district court must then weigh questions of the scope of IPR estoppel and in what circumstances it should apply, which presents fact-intensive inquiries for the court and the parties to address in the context of the prior art, including who the appropriate “skilled searcher” is and what a “diligent search” entails. *See, e.g., Ironberg Innovations Ltd. v. Valve Corp.*, 64 F.4th 1274, 1298 (Fed. Cir. 2023) (“§ 315(e)(2) estops a petitioner as to invalidity grounds a ***skilled searcher conducting a diligent search*** reasonably could have been expected to discover, as these are grounds that the petitioner ‘reasonably could have raised’ in its petition.”).

Third, there is evidence that the Petitioner unduly delayed in filing the Petition, doing so on the last possible day before the statutory deadline, nearly nine years after it first became aware of the patent; the Petition offers no explanation for the delay. *See supra* § II.C; *infra* § III.C.

Fourth, as addressed below, numerous considerations set forth in Acting Director Stewart’s March 26, 2025 Memorandum (“Director Memorandum,” Ex. 2007) further weigh against institution of review here, including the strength of the unpatentability challenge, the extent of the Petition’s reliance on expert evidence, the settled expectations of the parties, and compelling economic interests. *See infra* § III.

* * *

The Board should exercise its discretion and deny institution because all six *Fintiv* factors weigh in favor of denial of institution.

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

A. The Strength of the Unpatentability Challenge

The Director's Memorandum lists "[t]he strength of the unpatentability challenge" as one factor based upon which the Director may determine to deny institution. Ex. 2007 at 2.

As previously explained in the discussion regarding *Fintiv* Factor 6 and as will be set forth in more detail in the forthcoming preliminary response, the strength of the Petition's unpatentability challenge is lacking, as the Petition has failed to establish a reasonable likelihood of prevailing because none of the references alone or in combination teaches or suggests numerous limitations of both challenged claims. *See supra* § II.F.

In addition, the Petition does not assert anticipation of any of the challenged claims and instead raises only obviousness arguments. *See* Pet. at 9. Obviousness is a fact-intensive inquiry, often requiring extensive discovery to fully resolve. In turn, factual determinations concerning obviousness, including but not necessarily limited to secondary considerations of non-obviousness, are best explored via the robust

discovery process of the parallel district court proceeding. And as noted above, trial in that proceeding will have concluded approximately one-and-a-half months before any final written decision issues in this case. *See supra* § II.B.

Indeed, the Federal Circuit has recently recognized that additional evidence may be available for consideration in a district court case such as the parallel proceeding here, noting that protective orders in parallel proceedings may impede a patent owner's ability to present that evidence to the Board. *See AliveCor, Inc. v. Apple Inc.*, 130 F.4th 1006, 1013-14 (Fed. Cir. 2025) (petitioner denied patent owner permission to disclose to the PTAB evidence of secondary considerations of non-obviousness produced in a parallel proceeding by claiming it would violate the operative protective order, where the parallel proceeding "found that [patent owner] had presented secondary consideration evidence sufficient to rebut [petitioner's] 'strong' prima facie showing of obviousness"). Likewise, here, the protective order entered in the parallel district court proceeding (ordered before Petitioner filed the Petition) would prevent Patent Owner's use of evidence from that proceeding in any *inter partes* review proceeding instituted by the Board. *See* Ex. 2008 at 6 ("Material designated as Confidential Information or Confidential Attorney Eyes Only may only be used for purposes of preparation, discovery, alternative dispute resolution, trial, and appeal of this action. Confidential Information or Confidential Attorney

Eyes Only information may not be used under any circumstances for any other purpose.”).

B. The Extent of the Petition's Reliance on Expert Testimony

As further enumerated in the Director's Memorandum, a relevant consideration for discretionary denial is “[t]he extent of the petition's reliance on expert testimony.” Ex. 2007 at 2. As the Office explained in FAQ No. 21 of its FAQs for Interim Processes for PTAB Workload Management:

While the Board may consider expert testimony, as a matter of efficiency, *extensive reliance on expert testimony and/or reasonable disputes between experts on dispositive issues may suggest that the questions are better resolved in an Article III court.* . . . As the judges have technical and legal expertise, it is not necessary for an expert to explain every aspect of the prior art. It is *most helpful if an expert is providing focused testimony*, for example to provide helpful context or to explain terms of art. *The failure to provide focused expert testimony may weigh against institution.*

Ex. 2009 at 8-9. Here, the Petition extensively relies on the 119-paragraph expert declaration of Jeremy Cooperstock (Ex. 1007), citing to his declaration extensively in its analysis of all three of its grounds. *See generally* Pet. at 16-45. The Petition therefore fails to provide “focused expert testimony.”

Moreover, when a petition relies on an expert declaration that is duplicative of the attorney arguments in the Petition, such circular citations are afforded little

weight by the Board and favor discretionary denial. *See, e.g., Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 9 at 15-17 (PTAB Aug. 24, 2022) (precedential) (denying institution and noting that the petitioner's expert declaration "merely repeats, verbatim, the conclusory assertion for which it is offered to support . . . and is entitled to little weight"), *sua sponte Director Review*, Paper 12 at 5 (PTAB Feb. 10, 2023) (affirming denial of institution and "giving little weight to Petitioner's expert because the expert declaration merely offered conclusory assertions without underlying factual support and repeated, *verbatim*, Petitioner's conclusory arguments"), *POP Review denied*, Paper 13 (PTAB Feb. 10, 2023).

Here, as discussed above, the Petition relies heavily on Petitioner's expert's declaration. And a pattern of substantially similar or mildly reworded prose, as compared with the expert declaration, repeats throughout the Petition. *Compare, e.g.,* Pet. at 20 (citing Ex. 1007 ¶¶75, 76) *with* Ex. 1007 ¶¶75, 76; Pet. at 21-22 (citing Ex. 1007 ¶81) *with* Ex. 1007 ¶81; Pet. at 23-24, 39-40 (citing Ex. 1007 ¶85) *with* Ex. 1007 ¶85; Pet. at 25 (citing Ex. 1007 ¶¶91-92) *with* Ex. 1007 ¶¶91-92. Petitioner's expert declaration does not offer additional analysis or factual underpinnings for the Petition's theories beyond the attorney argument that it parrots.

Therefore, the expert testimony relied upon by the Petition should be given little weight and should be considered as a relevant factor in favor of discretionary denial.

C. Settled Expectations of the Parties

The Director's Memorandum also lists "[s]ettled expectations of the parties, such as the length of time the claims have been in force" as another factor based upon which the Director may determine to deny institution. Ex. 2007 at 2.

The expectations of the parties for the '120 patent claims are well settled. Specifically, the '120 patent claims were issued nearly ten years ago on July 26, 2016. (Ex. 1001 at face page), and Patent Owner has paid multiple maintenance fees (*see* Ex. 2010).

And critically, *Petitioner has known of the '120 patent* since at least June 14, 2017—*nearly nine years prior to filing the Petition*, when an examiner cited the application that matured into the '120 patent in connection with an Office Action issued during prosecution of one of Petitioner's own patents. *See* Ex. 2012 at 2 (patent listing Petitioner Skullcandy, Inc. as assignee, and indicating U.S. Patent Application Publication Number 2016/0073188 to Linden was "cited by examiner"); Ex. 1001 at face page (indicating that U.S. Patent Application Publication Number 2016/0073188 is the published application version of the '120 patent); Ex. 2013 at 15 (examiner's Notice of References Cited attached to Office Action, listing "US-2016/0073188"). But not until the filing of the Petition, less than four months ago, has Petitioner ever sought to challenge the '120 patent at the Office. Petitioner's knowledge of the '120 patent for *nearly a decade* weighs heavily in favor of

discretionary denial. *See iRhythm Techs., Inc. v. Welch Allyn, Inc.*, IPR2025-00363, Paper 10 at 2-3 (PTAB June 6, 2025) (Stewart, Acting Director) (denying institution, even though the trial date was set *after* the statutory deadline for a final written decision, because “settled expectations favor denial of institution” where a challenged patent was “in force since as early as 2012 and Petitioner was aware of it as early as 2013”).

The well-settled expectations of the parties—including the length of time the claims have been in effect and Petitioner’s prior decision not to challenge the ’120 patent, despite having knowledge of it for nearly nine years—weighs heavily in favor of denying institution.

D. Compelling Economic Interests

“Compelling economic . . . interests” are another factor based upon which the Director may determine to deny institution. Ex. 2007 at 2.

The ’120 patent was one of the fruits of the investments in research and development made by Patent Owner Earin AB. Ex. 2011 (assignment record indicating that inventors assigned their rights to Epickal AB, and that Epickal AB changed its name to Earin AB). A company like Patent Owner holds a compelling economic interest in preserving its ability to license or sell its patent embodying that research and development investment (and in particular a patent with such long-settled expectations) to other parties to recoup some of that investment. And the fact

that multiple entities have already taken a license to the '120 patent further demonstrates its economic value.

Because of the compelling economic interest of encouraging the continued investment in research and development protected by patents, and allowing companies to recoup such investment through the licensing and sale of those patents to other parties—not to mention the investments of the licensees to this patent—this factor weighs in favor of discretionary denial of the Petition.

IV. CONCLUSION

The Board should exercise its discretion to deny institution of the Petition because each of the *Fintiv* factors weigh in favor of denial of institution. In addition, several of the considerations set forth in the Director's Memorandum likewise counsel in favor of the Board exercising its discretion to deny institution here.

Respectfully Submitted,

Dated: June 16, 2025

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Patent Owner's Brief in Support of Request for Discretionary Denial
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CERTIFICATION UNDER 37 C.F.R. § 42.24(d)

Under the provisions of 37 C.F.R. § 42.24(d), the undersigned hereby certifies that the word count for all portions of the foregoing Patent Owner's Brief in Support of Request for Discretionary Denial totals 5,229 words per Microsoft Word, which complies with the requirement of 14,000 words allowed under 37 C.F.R. § 42.24(d).

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CERTIFICATE OF SERVICE

As authorized by Patent Owner's Mandatory Notice, I hereby certify that on June 16, 2025, a copy of this document has been served in its entirety by electronic mail on Petitioner's lead and backup counsel.

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