

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

ZHUHAI COSMX BATTERY CO., LTD.,
Petitioner

v.

NINGDE AMPEREX TECHNOLOGY LIMITED,
Patent Owner

Case IPR2025-00722
U.S. Patent No. 11,799,131

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

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EXHIBIT LIST

<u>Exhibit No.</u>	<u>Description</u>
1001	U.S. Patent No. 11,799,131 (“the ’131 Patent”)
1002	Prosecution history of U.S. Patent No. 11,799,131 (“the ’131 Patent file history”)
1003	Declaration of Dr. Brett Lucht, Ph.D.
1004	<i>Curriculum Vitae</i> of Dr. Brett Lucht, Ph.D.
1005	China Patent Application Publication No. CN 106099187A to Zeng et al. (“Zeng”)
1006	Certified English Translation of China Patent Application Publication No. CN 106099187A to Zeng et al. (“Zeng”)
1007	U.S. Patent Application Publication No. 2013/0224535 A1 to Matsuoka et al. (“Matsuoka”)
1008	U.S. Patent Application Publication No. 2017/0288268 A1 to Kim et al. (“Kim-’268”)
1009	U.S. Patent Application Publication No. 2013/0302685 A1 to Kim et al. (“Kim-’685”)
1010	U.S. Patent Application Publication No. 2015/0017542 A1 to Hirai et al. (“Hirai”)
1011	Japan Patent Application No. JP 2018-78052 A to Han et al. (“Han”)
1012	Certified English Translation of Japan Patent Application No. JP 2018-78052 A to Han et al. (“Han”)
1013	China Patent Application Publication No. CN 105552439 A to Zhou et al. (“Zhou”)
1014	Certified English Translation of China Patent Application Publication No. CN 105552439 A to Zhou et al. (“Zhou”)
1015	Chinese Patent No. 106848381 (“Hong”) and Certified Translation of Hong
1016	Petition (Paper 1) in <i>Zhuhai CosMX Battery Co. v. Ningde Ampere Tech. Ltd.</i> , IPR2023-00586 (PTAB Feb. 23, 2023)

<u>Exhibit No.</u>	<u>Description</u>
1017	Decision Denying Institution (Paper 14) in <i>Zhuhai CosMX Battery Co. v. Ningde Ampere Tech. Ltd.</i> , IPR2023-00586 (PTAB Aug. 18, 2023)
1018	National Library of Medicine PubChem Pages
1019	Millipore Sigma data sheets for ethylene carbonate (EC), propylene carbonate (PC), ethyl propionate (EP), propyl propionate (PP), diethyl carbonate, and fluorobenzene
1020	TCI America page for 1,3,6-Hexanetricarbonitrile
1021	Complaint, <i>Ningde Ampere Tech. Ltd. v. Zhuhai CosMX Battery Co.</i> , No. 2:24-cv-00728-JRG (E.D. Tex. Sept. 6, 2024), ECF 1.
1022	Reserved
1023	U.S. Patent Application Publication No. 2017/0324116 A1 to Youichi Ohashi (“Ohashi”)
1024	U.S. Patent Application Publication No. 2016/0294007 A1 to Wang Kefei (“Kefei”)
1025	U.S. Patent Application Publication No. 2017/0069934 A1 to Yun-Hee Kim et al. (“Kim-’934”)
1026	Prosecution history of U.S. Patent No. 11,769,910 (“the ’910 Patent file history”)
1027	Alleged Infringement Claim Chart for ’131 Patent
1028	Second Amended Complaint for Patent Infringement, <i>Ningde Ampere Tech. Ltd. v. Zhuhai CosMX Battery Co.</i> , No. 2:24-cv-00728-JRG (E.D. Tex. Jan. 28, 2025), ECF 23.
1029	Partial Stay Order, <i>STA Grp. LLC v. Motorola Sols., Inc.</i> , No. 2:23-cv-00030-JRG-RSP (E.D. Tex. Aug. 27, 2024), ECF 402.
1030	Order, <i>Stellar, LLC v. Motorola Sols., Inc.</i> , No. 4:23-cv-00750-SDJ (E.D. Tex. Apr. 21, 2025), ECF 170
1031	Order, <i>Cellspin Soft, Inc. v. ByteDance Ltd.</i> , No. 2:23-cv-00496-JRG-RSP (E.D. Tex. Jan. 27, 2025), ECF 106
1032	Order, <i>Intercurrency Software LLC v. Binance Holdings Ltd.</i> , No. 2:23-cv-00370-JRG (E.D. Tex. Aug. 29, 2024), ECF 86

<u>Exhibit No.</u>	<u>Description</u>
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1034	Order, <i>BoxCast Inc. v. Resi Media LLC</i> , No. 2:21-cv-00217-JRG (E.D. Tex. May 25, 2022), ECF 163
1035	Order, <i>Datatransury Corp. v. Fiserv, Inc.</i> , No. 2:13-cv-00431-JRG-RSP (E.D.Tex. Aug. 14, 2014), ECF 616
1036	Reserved.
1037	“Nearly two lithium battery fires per week on airplanes in the US alone,” CTIF (Dec. 19, 2024), available at https://ctif.org/news/nearly-two-lithium-battery-fires-week-airplanes-us-alone
1038	Declaration of John C. Evans in Support of Petitioner’s Response to Patent Owner’s Discretionary Denial Brief
1039	Reserved.
1040	Verdict Form, <i>Ningde Amperex Tech. Ltd. v. Zhuhai CosMX Battery Co.</i> , No. 2:22-cv-00232-JRG (E.D. Tex. Feb. 9, 2024), ECF 345.
1041	Amended Final Judgment, <i>Ningde Amperex Tech. Ltd. v. Zhuhai CosMX Battery Co.</i> , No. 2:22-cv-00232-JRG (E.D. Tex. Sept. 3, 2024), ECF 427.
1042	<i>MyPort, Inc. v. Samsung Elecs. Co.</i> , No. 2:22-cv-00114 (E.D. Tex. Jun. 13, 2023), ECF 73.

I. INTRODUCTION

Patent Owner's request for discretionary denial is largely identical to its six other requests, in many cases repeating the same arguments word-for-word. The Acting Director has reviewed these arguments, weighed the various factors, and **denied** each of Patent Owner's requests thus far. *See Zhuhai CosMx Battery Co. v. Ningde Amperex Tech. Ltd.*, IPR2025-00385, IPR2025-00389, IPR2025-00405, IPR2025-00431, IPR2025-00432, Paper 9 at 2 (PTAB July 2, 2025) (finding that "the challenged patents have not been in force for a significant period of time" outweighs other factors, including the timing of the parallel litigation). The last two petitions, including this Petition, are pending referral decisions. *See Zhuhai CosMx Battery Co. Ltd. v. Ningde Amperex Tech. Ltd.*, IPR2025-00524.

For the same reasons, Patent Owner's request here should be denied too. Indeed, the Director has already determined for the '131 Patent at issue here that the lack of settled expectations favors institution on the merits even more strongly. *Zhuhai CosMx Battery*, IPR2025-00431, Paper 14 at 2 (PTAB July 2, 2025). Likewise, this Petition should also be referred to the merits panel.

IPRs were created to provide a lower-cost, higher-quality resolution of patent-validity disputes as compared to complex district-court litigation. *See Changes to Implement Inter Partes Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents*, 77 Fed. Reg. 48680-01

(Aug. 14, 2012) (identifying the goals of the AIA as “improv[ing] patent quality and limit[ing] unnecessary and counterproductive litigation costs”). Patent Owner observes that the present Petition relates to one of six patents Patent Owner asserted in a single co-pending district court case. Patent Owner suggests that it is more efficient for the PTAB to discretionarily deny this Petition based on the overly simplistic argument that one proceeding is more efficient than eight. Paper 7 (“Br.”), 10-11. That portrayal of complex litigation is divorced from reality and ignores that the Acting Director has referred five related petitions to the merits board already.

Trials that are targeted and streamlined by PTAB assistance are more efficient (and fairer) than a trial that is overburdened with issues. Indeed, it is a common litigation strategy to assert an unwieldy number of patents, even where most are weak, as Patent Owner has done here, in order to drive up costs and distract defendants. Plaintiffs can then drop patents on the eve of trial and focus their jury presentation on the strongest claims, leaving the threat of those other, dubious patents looming over the industry. Empowering defendants to resist that tactic has been one of the greatest benefits of IPR practice. This Petition will benefit from PTAB assistance at least to the same extent as the five related petitions already referred to merits’ panels.

Additionally, and of particular importance to this Petition, the PTAB provides a tribunal of specialist judges who are well-versed in the law of patentability and

have scientific backgrounds. The present Petition presents arguments based on highly technical arguments against the claimed concepts and equations. A panel of experienced APJs is better suited to adjudicate the issues raised in this Petition than a lay jury.

II. *FINTIV* DOES NOT SUPPORT DISCRETIONARY DENIAL.

On balance, and as the Acting Director previously found for the '131 Patent at issue here, the *Fintiv*¹ Factors weigh against discretionary denial.

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

The Eastern District of Texas regularly issues stays following institution of IPR proceedings under circumstances similar to the present situation. Patent Owner's suggestion that the district court here has indicated that it will not issue a stay is simply untrue. *Contra* Br., 23. The court here has not made any statement one way or the other about the appropriateness of a stay, and all of the authority Patent Owner cites relate to *pre-IPR institution* stays. *Id.* That Texas courts, like a number of other courts, do not favor pre-IPR institution stays—and Petitioner here has not requested one—does not mean a post-IPR institution stay is unlikely here.

¹ *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020)

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

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

BarTex Rsch., LLC v. FedEx Corp., 611 F. Supp. 2d 647, 649-50 (E.D. Tex. 2009)).

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

The Eastern District of Texas regularly finds that instituted IPRs meet the stay factors and issues stays despite its otherwise aggressive procedural schedules. *See, e.g.*, EX1030-EX1034; *Cobblestone Wireless, LLC v. Cisco Sys., Inc.*, No. 2:23-cv-00454-JRG-RSP, 2024 WL 5047854 (E.D. Tex. Dec. 9, 2024); *Foras Techs. Ltd. v. Aptiv PLC*, No. 2:23-cv-00314-JRG, 2024 WL 5348631 (E.D. Tex. July 25, 2024); *Broadphone LLC v. Samsung Elecs. Co.*, No. 2:23-cv-00001-JRG-RSP, 2024 WL

3524022 (E.D. Tex. July 24, 2024); *STA Grp. LLC v. Motorola Sols., Inc.*, No. 2:22-cv-00381-JRG-RSP, 2024 WL 2852961 (E.D. Tex. June 5, 2024); *Resonant Sys., Inc. v. Samsung Elecs. Co.*, No. 2:22-cv-00423-JRG, 2024 WL 1021023 (E.D. Tex. Mar. 8, 2024); *Commc'n Techs., Inc. v. Samsung Elecs. Am., Inc.*, No. 2:21-cv-00444-JRG, 2023 WL 1478447 (E.D. Tex. Feb. 2, 2023); *Vill. Green Techs., LLC v. Samsung Elecs. Co.*, No. 2:22-cv-00099-JRG, 2023 WL 416419 (E.D. Tex. Jan. 25, 2023).

Importantly, the Eastern District of Texas does *not* require that all petitions for asserted patents be instituted in order to find that a stay will create efficiencies and assist the district court. The court has stayed *entire cases* where only *some* of the asserted patents had instituted IPRs. See *OnPoint Sys., LLC v. Protect Animals With Satellites, LLC*, No. 4:20-cv-657, 2022 WL 2704166 (E.D. Tex. July 12, 2022). Alternatively, the court has bifurcated cases to stay the patents for which IPR was instituted, allowing other patents to proceed to trial. See EX1029.

The court has found that “the outcome of a PTO proceeding is likely to assist the court in determining patent validity or eliminate the need to try infringement issues.” *NFC Tech. LLC v. HTC Am., Inc.*, No. 2:13-cv-1058-WCB, 2015 WL 1069111, at *1 (E.D. Tex. Mar. 11, 2015) (quoting *Evolutionary Intelligence, LLC v. Millennial Media, Inc.*, No. 5:13-cv-4206, 2014 WL 2738501, at *2 (N.D. Cal. June 11, 2014)). Any IPR that stands to remove or greatly reduce the number of

asserted patents or claims is “likely to assist” the district court. *NFC Tech.*, 2015 WL 1069111, at *1; *see also* EX1035, 15 (granting stay pending post-grant review). The value of IPRs is not simply to moot entire district court trials.² It is to streamline unwieldy trials for which justice is otherwise out of reach due to cost, complexity, and limited trial time. This is such a case. Streamlining is especially helpful where, as here, each of the asserted patents covers very different subject matter and the Petitions cite different prior art. There is no efficiency to be gained by adjudicating validity all of the patents in the same forum.

Furthermore, Patent Owner’s observation that Petitioner has not yet requested a stay in the parallel litigation, and its suggestion that grant of a stay is unlikely, is irrelevant and misleading. Br., 22. Patent Owner cites an Order from *Force MOS Technology Co. v. ASUSTeK Computer, Inc.*, for the proposition that the Eastern District of Texas “has a consistent practice of denying motions to stay when the PTAB *has yet to institute* post-grant proceedings” as to all patents at issue. Br., 23 (emphasis added) (quoting *Force MOS Tech. Co. v. ASUSTek Comput, Inc.*, No.

² Indeed, Patent Owner’s logic would imply that any time a plaintiff asserts more than one patent, the PTAB should leave all validity challenges to the district court. This incentivizes patent owners to broaden lawsuits as gamesmanship to avoid accountability before the PTAB, further burdening litigants and the courts.

2:22-cv-000460-JRG (E.D. Tex. Apr. 10, 2024), ECF 74). That Order refers to pre-institution stays. As shown above, the Eastern District of Texas, like a number of other courts, is more than willing to grant stays *after* IPR institution. Petitioner will seek such a stay here after institution.

Finally, Patent Owner attempts to use alleged missing element 20.7 from another patent, U.S. Patent No. 11,769,910, challenged in another Petition, IPR2025-00405, as a reason to deny this Petition, while improperly trying to incorporate by reference that IPR's Discretionary Denial Brief and Preliminary Response. Br., 13, 59-60. First, the Acting Director already declined discretionary denial for that petition. *See Zhuhai CosMx Battery*, IPR2025-00405, Paper 10 at 34-38 (PTAB June 13, 2025); *see also Zhuhai CosMx Battery*, IPR2025-00385, Paper 9 at 2. Patent Owner's continued focus on this non-issue does nothing to support its request for discretionary denial.

Indeed, whether or not '910 patent feature 20.7 is met has no bearing on whether to institute or deny in this case. Patent Owner cites no support for denying institution of an IPR because a different cause of action will survive. If this were the policy of the USPTO, then any case with a non-patent cause of action would be immune from review by the PTAB. This would only serve to bloat patent suits further by encouraging patent owners to protect their asserted patents with ancillary causes of action.

While Patent Owner's argument largely mirrors its prior rejected arguments, Patent Owner did include a few new case citations. Of note is *MyPort, Inc. v. Samsung Electronics Co.*, which Patent Owner contends demonstrates that Judge Gilstrap is reluctant to institute stays even where IPRs were instituted as to all asserted patents. Paper 7 at 25 (citing *MyPort, Inc. v. Samsung Elecs. Co.*, No. 2:22-cv-00114 (E.D. Tex. Jun. 13, 2023), ECF 73 (EX1042)). Patent Owner fails to mention that Judge Gilstrap's decision was based on the PTAB finding that the petitioner only had a likelihood of success as to some of the petitioned claims: "For example, with regard to the '017 patent, Samsung raised five grounds of unpatentability; the PTAB decision found that Samsung had a likelihood of success on only two grounds, and only with respect to claim 13 (out of twelve challenged claims)." EX1042, 6.

The Acting Director was not persuaded by Patent Owner's argument in the related discretionary denial requests. The arguments are no more persuasive here. This factor weighs against discretionary denial.

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

The Acting Director has addressed *Fintiv* Factor 2 with regard to Patent Owner's related requests and found that "it is unlikely that a final written decision in these proceedings will issue before district court trial occurs." See *Zhuhai CosMx*

Battery, IPR2025-00385, Paper 9 at 2. While Petitioner respectfully disagrees, Petitioner notes that the Acting Director found that the other factors outweighed this factor—and against discretionary denial. *Id.* Thus, Petitioner will not address *Fintiv* Factor 2 further.

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

The co-pending district court litigation is still in its early stages. The parties have exchanged contentions and produced documents (many of which are reproductions from an earlier case), but no depositions have been taken, no expert reports have been exchanged, and the *Markman* process has not even begun. Compare EX2002, with *Motorola Sols., Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19 at 3 (PTAB Mar. 28, 2025) (finding substantial investment in parallel litigation where depositions had been taken, expert reports were already submitted, and a *Markman* ruling was already issued). The parties here will not even exchange potential terms for construction for months. EX2002, 4. Fact discovery does not close until February 2026, when expert discovery will begin, followed by dispositive motions. *Id.*, 3. Patent Owner’s claim to have produced “tens of thousands of documents” is artificially inflated as Patent Owner double-counts *re-productions* from past and foreign litigations, collected months, if not years, ago. Br., 33. Accordingly, because much of the investment relating to invalidity issues, including

expert discovery and dispositive motions, will occur long after institution, this factor weighs against denial.

Furthermore, Patent Owner's arguments that the parties have substantially invested in the parallel litigation are misleading. Patent Owner primarily points to investments made in a *past* litigation between the same parties involving *other* patents, and foreign proceedings involving foreign counterparts—not the challenged patent. Br., 31-32, 34-36. That is not the kind of investment that is probative of *Fintiv* Factor 3 because it could not have been avoided by earlier filing and institution here. Indeed, Patent Owner's brief cites *no authority* for the proposition that sunk costs relating to *other patents* "should also be considered investments in this follow-on lawsuit." Br., 32. Petitioner is aware of none. To the extent that discovery taken in a prior litigation is relevant to the current litigation, that actually *reduces* the burden of production in this case and results in *less investment* in the current district court proceeding. This factor thus weighs against discretionary denial, not in favor of it.

This factor also weighs against denial because Petitioner here filed its petitions at the earliest possible time during the district court proceeding. Indeed, all seven petitions were filed within just 2-3 months of Petitioner being served with the complaint and/or a few weeks after the PGR period ended. The later petitions were filed following additional patents being newly asserted in an amended complaint and the PGR period ending. Petitioner filed the petitions on a rolling basis as they were

prepared, rather than waiting to file all petitions at once. Moreover, Petitioner even hired two additional law firms beyond its litigation counsel to ensure that all available resources were dedicated to filing the strongest possible petitions in the fastest possible timeframe. To the extent that this factor seeks to promote diligence in filing, such diligence has clearly been demonstrated here. *See, e.g., Samsung Elecs. Co v. Headwater Rsch LLC*, IPR2024-01396, Paper 13 at 7 (PTAB Apr. 1, 2025) (noting that petitioner’s diligence in filing the IPR weighed against denial).

Finally, Patent Owner observes that Petitioner here has been found liable for patent infringement in the past, as though that prior finding is relevant to the merits of its current patentability challenge or to *Fintiv* Factor 3. For that matter, Patent Owner’s other patents have also been invalidated in prior proceedings, which would counsel in favor of PTAB review here. *See, e.g., EX1041*. In any event, Patent Owner again attempts to distract from the strength of the cases at hand. Every dispute and every petition should be decided on its own merits. The Acting Director should not prejudice its consideration of a given petition with unrelated findings from past litigations. The public benefits from the elimination of patent claims that should not have issued. Whether a petitioner has been found to infringe other patents in the past, or whether other “global patent dispute[s]” will remain does not bear on the merits of the present dispute. Br., 37.

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

Petitioner filed a *Sotera* stipulation concurrently with each of its petitions, eschewing any gamesmanship, for example by waiting until after Patent Owner's preliminary response to file a stipulation. Indeed, in so filing its *Sotera* stipulations with its petitions, Petitioner unequivocally consented to having the PTAB adjudicate the prior-art merits of its petitions. *See Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (precedential as to § II.A). According to the PTAB's procedures in effect at the time of the filing, that concession would have precluded the Board from discretionarily denying the Petition based on the parallel litigation. It would be procedurally irregular and unduly prejudicial for the Office to retroactively apply to Petitioner here its new guidance limiting the effect of such stipulations.

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

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

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

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

be made through notice-and-comment rulemaking. *See* 88 Fed. Reg. 24,503 (April 21, 2023).

It is furthermore arbitrary and capricious for the Office to issue—and then retroactively enforce—guidance based on changes that *directly contradict* the Office’s prior guidance, particularly the controlling effect of a *Sotera* stipulation. Indeed, the Office did not even provide any reasoned explanation for the changes. *See FDA v. Wages & White Lion Invs., LLC*, 145 S. Ct. 898, 906 (2025) (explaining that when an agency changes position, it must “offer ‘good reasons for the new policy’”) (quoting *FCC v. Fox Television Stations, Inc.*, 556 U.S. 502, 515 (2009)).

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

Applying the new *Fintiv* standards retroactively to this Petition prejudices the Petitioner, who relied upon the Office's prior guidance in incurring the costs of preparing and filing petitions and in coordinating strategies between district court and USPTO proceedings. This is particularly true where the retroactive application of a new rule was not first subjected to notice-and-comment rulemaking under the Administrative Procedure Act, despite the agency's stated intent to follow such procedures. *See NetworkIP, LLC v. FCC*, 548 F.3d 116, 122-123 (D.C. Cir. 2008). In view of this prejudice and the procedural irregularity surrounding the new *Fintiv* guidance and the bifurcated briefing process more generally, the Director should not exercise discretion to deny this Petition.

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

Additionally, Petitioner’s invalidity contentions include grounds based on independent product testing of public-use batteries, unrelated to the patents and printed publications raised in the IPR. *See* EX2003; EX1038. As such, the present IPR serves as a true alternative to district-court litigation, not a duplicative proceeding. The Petition here is therefore distinguishable from the petition that was denied in *Motorola Solutions* where the petitioner’s reliance on “unpublished systems” in combination with the same prior art relied on in the IPR raised concerns about duplicative review. IPR2024-01205, Paper 19 at 4. Accordingly, *Fintiv* Factor 4 weighs strongly against discretionary denial.

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

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

As is true for most IPRs, Petitioner is a defendant in the parallel litigation, and here this fact is neutral for the reasons discussed for Factor 2. *See Google LLC v. Parus Holdings, Inc.*, IPR2020-00846, Paper 9 at 21 (PTAB Oct. 21, 2020) (“Here,

... Petitioner is the defendant in the parallel proceeding. This fact could weigh either in favor of, or against, exercising discretion to deny institution, depending on which tribunal was likely to address the challenged patent first.”); *see also NVIDIA Corp. v. Invensas Corp.*, IPR2020-00603, Paper 11 at 23 (PTAB Sept. 3, 2020) (“this factor weighs slightly against discretionary denial” where the district court trial and IPR final written decision are expected “around the same time”).

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

The Petition presents a strong case of obviousness based on multiple grounds. Patent Owner’s arguments against the Petition’s merits largely address irrelevant issues or attack positions Petitioner does not advance. Even if accepted, Patent Owner’s arguments do not affect the merits of Petitioner’s Grounds, and institution remains appropriate.

1. Zeng: Grounds 1A-C, 2A-C

In Zeng Grounds 1A-C and 2A-C, the Petition explains that Zeng discloses lithium-ion battery electrolytes containing the same three compounds recited in the Challenged Claims—X (dinitrile), Y (trinitrile), and Z (propyl propionate)—which were well-known, conventional ingredients in such electrolytes. Pet., 18-21. Zeng expressly discloses the claimed amounts of each compound except for reporting the weight percentage of Z relative to the solvent portion rather than the total electrolyte.

Id., 21. As the Petition explains, however, Zeng teaches that propyl propionate accounts for 17.66 wt% and 17.70 wt% of the total electrolyte in Examples 4 and 6, respectively, before the addition of the lithium salt LiPF_6 —the only remaining ingredient. *Id.*, 21-22.

Because the lithium salt adds weight to the total electrolyte, the actual weight percentage of propyl propionate in the final electrolyte decreases after its addition, resulting in *Z* being less than 17.66 wt% (Example 4) and 17.70 wt% (Example 6) in the total electrolyte—well within the *Y/Z* range recited in the claims. *Id.* Moreover, as both the Petition and Petitioner’s expert Dr. Lucht explain, the claimed *Y/Z* range is so broad that adding enough lithium salt to drive *Z* outside the *Y/Z* range would result in an inoperable solution inconsistent with both Zeng’s disclosure and lithium-ion battery chemistry, generally. *See, e.g.*, Pet., 11, 21-22, 43-44; EX1003, ¶¶ 52, 74-78, 123-124. Thus, Zeng renders obvious the claimed *Y/Z* range.

Patent Owner contends that it is impossible to determine the exact weight percentage of propyl propionate—and thus the *Y/Z* ratio—in Zeng’s final electrolytes and that Dr. Lucht makes unsupported assumptions in attempting to do so. Br., 41-43. But Patent Owner misses the point. Neither the Petition nor Dr. Lucht seeks to calculate an exact weight percentage of propyl propionate. Instead, they show that the vast *Y/Z range* recited in the Challenged Claims *would have been obvious*. As explained in the Petition and summarized above, Zeng discloses that

propyl propionate constitutes 17.66 wt% (Example 4) and 17.70 wt% (Example 6) before LiPF_6 is added as the final ingredient. Because adding the lithium salt increases the total weight of the electrolyte, the weight percentage of propyl propionate decreases in the final composition. Pet., 21. No assumption is required to support the basic mathematical principle that the weight percentage of a component (whose weight stays constant) decreases as the total weight of the composition increases.

Patent Owner also contends that Dr. Lucht misreads Zeng's statement that "then, lithium hexafluorophosphate of a concentration of 1.0 mol/L is slowly added to the mixed solution" as describing the addition of solid LiPF_6 to Zeng's prescribed EC:PC:DEC:FB:EP:PP organic solvent mixture to achieve a 1.0 mol/L concentration. Br., 42-43. According to Patent Owner, a POSITA would instead understand this as adding an unknown volume of LiPF_6 that had already been premixed to 1.0 mol/L in some other unspecified solvent. *Id.*

As Dr. Lucht explained in support of the Petition, however, Patent Owner's interpretation makes no sense in the context of Zeng. EX1003, ¶66, n.6; *see also* Pet., 19 n.6. Zeng already carefully defines the EC:PC:DEC:FB:EP:PP organic solvent mixture into which the LiPF_6 is mixed, and in such cases, standard practice is to dissolve LiPF_6 directly into that prescribed solvent mixture to a concentration of around 1 mol/L. Introducing a separate (and unspecified) premixed solution

would unnecessarily and unpredictably alter Zeng's carefully defined composition, which is central to Zeng's invention. In particular, adding an unknown volume of LiPF_6 —already diluted to 1.0 mol/L in an unidentified solvent—would prevent determining the final solvent composition and concentration, making accurate measurement of the various components in subsequent experiments impossible. This outcome runs counter to a POSITA's expectations and renders Zeng's disclosure unclear and inconsistent with the inventor's original intent. In support of his opinion, Dr. Lucht cites multiple prior art references teaching this common practice of dissolving lithium salt to approximately 1 mol/L into an already-specified solvent mixture, rather than adding a further unspecified solvent mixture into which lithium salt has already been dissolved. EX1003, ¶66, n.6 (citing EX1023-EX1025); *see also* Pet., 19, n.6. Contrary to Patent Owner's allegations, Dr. Lucht does not contort Zeng's disclosure, but simply reads it through the lens of a POSITA with a mind willing to understand the reference in context.

2. Hirai: All Grounds

The Petition cites Hirai as disclosing the electrode structure recited in claim 14, in which a first electrode includes a single-sided coating with a compaction density D1, and a second electrode includes a double-sided coating with a compaction density D2. Pet., 26–43. The Petition relies on four distinct embodiments in Hirai that each renders the Challenged Claims unpatentable: (1) the

fifth means; (2) the sixth means; (3) Example 5; and (4) Example 6. *Id.*, 32–37. As explained in the Petition, Hirai’s fifth and sixth means disclose the claimed electrode structure explicitly, while Examples 5 and 6 render it obvious. *Id.*

In its brief, Patent Owner contends that “Hirai’s examples only include electrodes with double-sided coatings and therefore, Hirai reports density values *only* for electrodes with double-sided coatings.” Br., 46. But this argument addresses only Examples 5 and 6 and does not account for the broader disclosure in the body of Hirai, including the fifth and sixth means discussed in connection with the electrode structure shown in Figure 2. As explained in the Petition, Hirai Figure 2 illustrates a lithium-ion battery 10 in which the outermost electrodes have single-sided active material coatings. Pet., 27–32; EX1010, ¶¶ [0024]–[0044], FIGS. 1, 2. In the context of that electrode structure, Hirai describes various means—including the fifth and sixth means—for increasing the A/C ratio at the center portion of the laminated battery relative to the outer portion. Pet., 32–37; EX1010, ¶¶ [0044]–[0075]. Thus, contrary to Patent Owner’s contention, the compaction densities disclosed for the fifth and sixth means relate to the previously-described electrode configuration of Figure 2, which includes single-side-coated outermost electrodes. *See* Pet., 32–37; EX1010, ¶¶ [0066]–[0077].

While Hirai’s Examples 5 and 6 employ double-sided coatings on all electrodes—including the outermost ones—the Petition explains that it would have

been obvious to alternatively use single-sided coatings for the outermost electrodes. See Pet., 32–43. Indeed, Hirai’s Figures only depict an electrode structure in which the outermost electrodes have single-sided coatings, making this configuration the most natural and obvious to implement. See Pet., 42; EX1010, FIGS. 1, 2. Accordingly, each of Examples 5 and 6—independently of the fifth and sixth means—renders the subject matter of the Challenged Claims obvious.

Patent Owner argues that a POSITA would not have implemented single-sided coatings on the outermost electrodes because Hirai “desire[s] to ‘make the cell volume equal’ and ‘make the cell thickness equal as whole,’” and removing an active material layer would alter the volume and/or thickness of those electrodes. Br., 46–47. But this mischaracterizes Hirai’s disclosure: Hirai does not identify equal cell volume or thickness as design objectives. Rather, Hirai describes those features as *possible results* of increasing anode electrode density toward the center of the stack—not as goals of the fifth or sixth means. See EX1010, ¶¶ [0067], [0072]. In fact, Hirai expressly permits single-sided coated outermost electrodes, highlighting the design flexibility of the laminated structure. Pet., 29–31, n.9 (citing EX1010, ¶ [0025]). Patent Owner’s assertion is therefore inconsistent with both the Figures and express teachings of Hirai. Moreover, even if Patent Owner were correct, Hirai’s alleged “desire” would not have outweighed the motivation identified in the Petition

supporting the combination, including that single layers on the outermost electrodes would improve heat dissipation. *See* Pet., 37-43.

3. Matsuoka: Grounds 1B, 1C, 2B, 2C

Anticipating an argument by Patent Owner that ambiguity regarding the addition of LiPF_6 renders the composition of Zeng's electrolytes uncertain, Petitioner presented Grounds 1B, 1C, 2B, and 2C. Pet., 51-62. These Grounds rely on Matsuoka to supply an off-the-shelf percentage of propyl propionate suitable for Zeng's electrolytes—expressed as a weight percent relative to the total electrolyte. *Id.*, 52-53. If a POSITA sought a suitable weight percentage of propyl propionate in Zeng's total electrolytes, the POSITA could simply use Matsuoka's amounts, which satisfy the claimed Y/Z range when used in Zeng's electrolytes. *Id.*

Patent Owner faults these Grounds for selecting propyl propionate, specifically, from among other potential non-nitrile additives discussed in Matsuoka. Br., 3-4, 43. This criticism has no merit. First, no motivation is needed to select propyl propionate from Matsuoka because the Zeng Example electrolytes on which Petitioner relies already have propyl propionate as a solvent component. Petitioner cites Matsuoka *not* to justify *selection* of propyl propionate, but for a suitable range of *amounts* of that compound—expressed as a weight percentage of the total electrolyte—for use in Zeng's electrolytes. *See* Pet., 52-53.

Second, even though Petitioner's combinations do not need motivation to select the already-present propyl propionate in Zeng's electrolytes, the Petition provided such motivation anyway. *See, e.g.*, Pet., 53-55; EX1003, ¶¶145-149 (explaining that Matsuoka teaches that propyl propionate isomers have LUMO and HOMO energies in or near Matsuoka's most-preferred ranges and therefore efficiently form the SEI film on the negative electrode, protect other components of the battery including the positive electrode, and suppress side reactions to improve overall performance). The Petition also explains that a POSITA would have had a reasonable expectation of success using Matsuoka's amounts for Z in Zeng's electrolytes due to significant overlap in the compositions of Zeng's and Matsuoka's electrolytes, and because Matsuoka describes non-nitrile additives acting as solvents as "not particularly limited" and combinable. Pet., 55-56. This is consistent with the prior art generally, which discloses various blends of various inorganic solvents into which lithium salt is dissolved to form suitable lithium-ion battery electrolytes. Thus, contrary to Patent Owner's contention, it is simply not true that the Petition fails to "address[] why the POSITA would single out a propyl propionate compound" from Matsuoka "without considering the implications of the overlapping components." Br., 43.

4. Zhou: Grounds 3A-4C

In addition to the Zeng Grounds, the Petition presents Grounds 3A-4C relying on Zhou as a primary reference. Pet., 62-76. As set forth in the Petition, Zhou discloses the claimed electrolyte except that Example 8 uses a different ester—ethyl acetate instead of the claimed propyl propionate. But Zhou identifies only a handful of esters, including ethyl acetate and propyl propionate, as interchangeable electrolyte compounds that promote fast charging under high voltage and high compaction conditions. Accordingly, it would have been obvious to substitute propyl propionate for ethyl acetate in Example 8 because Zhou teaches the POSITA to do it with a reasonable expectation of success. Pet., 65-71.

Patent Owner again misses the point, contending that Petitioner provides insufficient motivation to select Example 8 of Zhou. Br., 44-45. Patent Owner argues that since a POSITA would not be able to conclude Example 8 outperforms all other Examples, a POSITA would lack motivation to choose Example 8 as a starting point for improvement. *Id.* U.S. patent law does not require a particular example to outperform all others in order to serve as a valid starting point for further improvement. Moreover, as explained in the Petition, Petitioner does not need motivation to select Zhou Example 8 because Petitioner does not combine aspects of different Zhou Examples into a single embodiment. Pet., 65 (distinguishing *In re Stepan Co.*, 868 F.3d 1342, 1346 n.1 (Fed. Cir. 2017)). “Each of Zhou’s Example

electrolytes is a self-contained, working embodiment providing a complete list of compounds, amounts, and preparation instructions.” Pet., 65. Other than the combinations discussed elsewhere in the Grounds, the only modification the Petition proposes to Zhou Example 8 is substituting one ester (ethyl acetate) for another (propyl propionate), as Zhou teaches a POSITA to do with at least a reasonable expectation of success and predictable results. *Id.*, 67-70. Zhou Example 8 alone thus provides a basis for invalidity of the Challenged Claims.

Regardless, Petitioner provided optional motivation to implement each of Zhou’s Examples, including Example 8, because Zhou presents only a handful of Examples and they performed better than the Comparative Examples. Pet., 65-67. Petitioner also provided motivation to implement Example 8, for example, because it outperformed other Examples and the Comparative Examples at improving discharge capacity. *Id.*, 67 (citing EX1014, ¶ [0061] discussing the results shown in Zhou Figure 1).

5. Kim-’268: Grounds 1C-4C

Further anticipating that Patent Owner would (erroneously) argue the prior art must do more than disclose or render obvious embodiments within the scope of the Challenged Claims—and specifically highlight the importance of the Y/Z ratio—the Petition presents Grounds 1C-4C adding Kim-’268. Pet., 57-62, 75-76. As the Petition explains in detail, “it was known that the relative proportions of Y and Z

were beneficial, thanks to Kim-'268,” which “further focuses the POSITA on including both a trinitrile and PP in a dinitrile-based electrolyte and motivates adjusting relative amounts of these two components (i.e., Y/Z) to improve performance.” Pet., 58; EX1003, ¶157. Patent Owner does not address Kim-'268's substance, instead nitpicking alleged “internally contradicting data, statistical uncertainty, and ... inadequate experimental procedure details” Br., 45. This is just a distraction, as the same types of critiques could be leveled at any experimental dataset, including experimental data related to the '131 Patent. A POSITA would take Kim-'268 for what it discloses: the importance of including trinitrile and propyl propionate in dinitrile-based electrolytes and varying the relative amounts of Y and Z to improve performance. As the Federal Circuit has made clear, “[u]nder an obviousness analysis, a reference need not work to qualify as prior art; ‘it qualifies as prior art, regardless, for whatever is disclosed therein.’ ‘Even if a reference discloses an inoperative device, it is prior art for all that it teaches.” *Geo. M. Martin Co. v. Alliance Mach. Sys. Int’l LLC*, 618 F.3d 1294, 1302-1303 (Fed. Cir. 2010) (quoting *Amgen Inc. v. Hoechst Marion Roussel, Inc.*, 314 F.3d 1313, 1357 (Fed. Cir. 2003), then *Beckman Instruments, Inc. v. LKB Produkter AB*, 892 F.2d 1547, 1551 (Fed. Cir. 1989)). Thus, even if the Kim-'268 reference is flawed in some way, it remains prior art to the extent it discloses the subject matter relied upon in the Petition.

Patent Owner states that it intends to submit a Patent Owner's Preliminary Response and accompanying expert declaration presenting "[a]dditional details as to the merits" (Br., 47) and has already done so in IPR2025-00431 involving the '131 Patent and in IPR2025-00405 involving related U.S. Patent No. 11,769,910. But those papers largely reiterate and expands upon some of the same positions addressed above—none of which weakens Petitioner's Grounds or affects institution. Thus, to the extent that Patent Owner submits a similar Preliminary Response in this proceeding, it would not raise any issues relevant for determining whether to institute.

III. THE INTERIM GUIDANCE DOES NOT SUPPORT DISCRETIONARY DENIAL.

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

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

Patent Owner admits that "the '131 Patent has not itself been previously adjudicated." Br., 47-48. This is the end of the analysis of Memo Factor 1, with the factor weighing against denial.

Patent Owner tries to tip this factor in its favor by discussing a previous IPR petition for a wholly *different patent* (the '363 Patent). *Id.* This is a red herring. An IPR for a *different patent* is plainly irrelevant. Moreover, the '363 Patent IPR was

never instituted and thus the validity of the challenged claims were never adjudicated. *Plexxikon Inc. v. Novartis Pharms. Corp.*, 631 F. Supp. 3d 823, 849 (N.D. Cal. 2022) (“A non-institution decision is not a ‘decision on the merits, any more so than a grant of an IPR is a decision on the merits.’”) (quoting *Interdigital Commc’ns Inc. v. Nokia Corp.*, No. CV 13-10-RGA, 2014 WL 8104167, at *1 (D. Del. Sept. 19, 2014)).

Worse yet, while the Patent Owner discusses at length claim 1 of ’363 Patent (Br., 48-51), it conspicuously omits that the jury in the First Texas Litigation **invalidated** that very same claim. EX1040, 5; EX1041, 2 (“the Court hereby **ORDERS** and **ENTERS JUDGMENT** as follows...Claim 1 of the ’363 Patent is invalid”) (emphasis in original). To the extent that Patent Owner is correct that the adjudication of the validity of the ’363 Patent is relevant, this weighs strongly against discretionary denial.

Last, Patent Owner argues that it would be unfair to institute this IPR because it was filed after the Board’s written opinion denying institution of the ’363 Patent, alleging that Petitioner is engaging in “roadmapping” and “serial” or “follow-on petitions.” Br., 51-52. Not true. Again, Patent Owner improperly conflates the ’363 Patent with the ’131 Patent – they are separate patents with separate claims. Therefore, the denial of institution of the ’363 Patent cannot act as a “roadmap” for the IPR of the ’131 Patent. The cases cited by Patent Owner confirm that this IPR is

not a “follow-on petition” susceptible to “roadmapping.” Patent Owner cites *General Plastic Industrial Co. v. Canon Kabushiki Kaisha*, but that case involved the petitioner filing two initial IPRs against two patents that were denied institution, and then afterwards filing additional IPRs against the very same patents. IPR2016-01357, Paper 19 at 2-3 (PTAB Sept. 6, 2017). The second case cited by Patent Owner confirms that *General Plastic* addresses when institution should be denied because the IPR “challenges a patent that was previously challenged before the Board.” *Videndum Prod. Sols., Inc. v. Rotolight Ltd.*, IPR2023-01219, Paper 9 at 10 (PTAB Jan. 24, 2024) (petition filed a second petition against the same patent over a year after the first petition was denied institution). Patent Owner’s argument has no merit. This factor weighs against discretionary denial.

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

The parties agree that there has been “no material changes” in the law since the issuance of the ’131 Patent. Br., 53. But this does *not* favor discretionary denial here, as Patent Owner alleges, where the patent has not been in force long. Patent Owner argues that “[t]he Board should not revisit the Examiner’s decisions...less than two years after the claim’s issuance” (Br., 54), but that ignores that the Examiner did not consider all the prior art cited in the Petition or any of the obviousness arguments presented in the Petition, nor did the Examiner consider any substantially similar prior art or arguments. To the extent the Examiner did consider

one of the prior art references and abstracts (only) of others, it is clear from the Petition that the Examiner failed to fully appreciate the cited art and/or materially erred in their consideration of said art. As explained below, neither *Advanced Bionics*³ factor is satisfied with respect to the prior art and arguments presented in the Petition. *Infra* Section III.G.2. This factor is neutral.

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

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

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

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

³ *Advanced Bionics, LLC v. Med-El Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 (PTAB Feb. 13, 2020) (precedential).

experts' experience or impressions of ordinary skill, live testimony can allow the factfinder to make credibility determinations. That is not the case with the particular arguments or expert testimony here.

The expert declaration supporting the present Petition provides helpful context for the scientific principles underlying the alleged point of novelty. For example, Dr. Lucht explains why, with supporting calculations, Zeng's electrolytes could not be diluted to push Y/Z outside the vast claimed range without creating a composition that makes no sense in the context of Zeng or lithium-ion batteries generally, supporting obviousness. See EX1003, ¶¶ 52, 73-78, 124. Dr. Lucht also provides, for example, helpful context supporting the reasons a POSITA would have combined the references as proposed with a reasonable expectation of success. See, *e.g., id.*, ¶¶ 109-122, 132-139, 145-151, 179-183, 189-197, 201-202.

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

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

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

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

Memo Factor 5 is directed to the “settled expectations of the parties, such as the length of time the claims have been in force.” These patent claims issued in late 2023. This Petition was filed just over one year later. As this is so early in the 20-year term of the Patent, this factor weighs against discretionary denial. In fact, the Acting Director has already held with regard to the ’131 Patent that “Patent Owner has not developed strong settled expectations” and ultimately “tip[ped] the balance against discretionary denial.” *Zhuhai CosMx Battery*, IPR2025-00385, Paper 9 at 2-3. For the same reasons here, Patent Owner’s request for discretionary denial should be denied.

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

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

According to FAA statistics, incidents of lithium battery fires on U.S. flights have surged by 388% since 2015, now happening nearly twice a week. EX1037. A passenger involved in one such incident reported to CBS News: “It was absolute chaos. It truly felt like every man for themselves. And it was terrifying. I didn’t know if we were going to explode. All I knew was I needed to get out and survive.” *Id.*, 3. David Wroth of UL Standards & Engagement, an organization focused on safety research, commented: “Any fire at 30,000 feet is unacceptable.” *Id.* A survey conducted by UL with over 800 flight attendants showed that 87% are concerned about the risks posed by lithium batteries on airplanes, with more than a third feeling that more should be done to ensure passenger safety. *Id.*

Safety measures to prevent these accidents are imperative. The use of electrolytes that improve safety and prevent battery fires in the first place – while still permitting high performance – is far preferable to regulations or restrictions on passengers traveling with electronic devices. *See, e.g.*, EX1001, 3:9-20, 21:10-20. There is therefore a compelling need to ensure that only truly deserving inventions receive exclusive rights in this burgeoning area of technology. Patents that seek to monopolize broad technological concepts and read on prior art stifle innovation and competition. Enforcement of these patents drives up the costs of safe batteries for consumers. The ’131 patent is one such undeserving monopoly.

Petitioner's batteries are a crucial commodity in the consumer-electronics market. Household names like HP and Apple have multi-million-dollar contracts with Petitioner to supply explosion-safe batteries for their devices. Allowing invalid patents to disrupt these supply chains and deprive these market-leading companies of their choice in batteries will ultimately hurt the economy and needlessly endanger consumers. The PTAB should avert this outcome by instituting review of the challenged claims, and after evaluating patentability on the merits, finding all claims unpatentable.

G. Memo Factor 7: Other factors weigh against discretionary denial.

Patent Owner raises three issues under Memo Factor 7: (1) numeracy of the Grounds raised in the Petition; (2) certain prior art references were disclosed in an IDS during prosecution of the '131 Patent; and (3) this is the second IPR petition filed against the '131 Patent. Br., 59-63. None of these arguments support denying institution of this Petition.

1. The Petition presents a reasonable number of grounds.

While Patent Owner argues there are twelve distinct grounds, this is misleading. In fact, there are only four primary "A" Grounds (Grounds 1A, 2A, 3A, and 4A). The "B" grounds merely add an additional reference to the primary grounds to supply disclosure of one aspect (amount of propyl propionate in terms of weight percentage in the final electrolyte), and the "C" grounds only provide further

motivation for the earlier-described combinations.⁴ Pet., 16-17. This is far from the situation in the sole case cited by Patent Owner. Br., 59 (citing *Adaptics Ltd. v. Perfect Co.*, IPR2018-01596, Paper 20 at 17-18 (PTAB Mar. 6, 2019)). In *Adaptics*, the petitioner presented “hundreds of possible combinations” due to the use of “and/or” with numerous references, including a “catch-all” ground that asserted two references (either or) in combination with a list of eight potential secondary references using and/or for the secondary references. *Adaptics*, IPR2018-01596, Paper 20 at 18-19. That very different case, with remarkably different facts, is inapplicable here and does not compel a similar outcome.

Patent Owner also argues that even if the Petition is successful, a different patent will survive causing the parallel district court case to go to trial. Br., 59-60. Even if that were true, Patent Owner cites no support for denying institution of an IPR because a different cause of action will survive. If this were the policy of the USPTO, then any case with a non-patent cause of action would be immune from review by the PTAB. This would only serve to bloat patent suits further by encouraging patent owners to protect their asserted patents with ancillary causes of action.

⁴ Grounds 1B and 2B add the Matsuoka reference. Grounds 1C, 2C, 3C, and 4C add the Kim-’268 reference.

2. Patent Owner’s Section 325 argument fails because neither *Advanced Bionics* prong is satisfied for Petitioner’s prior art and arguments.

Institution is appropriate under 35 U.S.C. § 325(d) because both *Advanced Bionics* prongs are not satisfied with respect to Petitioner’s Grounds. *Advanced Bionics*, IPR2019-01469, Paper 6 at 7. Petitioner addresses each prong below.

a. Prong 1: “whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office.”

- **Zeng and Zhou**

Prong 1 is not met for Zeng or Zhou. As explained in the Petition, Zeng and Zhou are Chinese patents, and Applicant provided only English translations of their Abstracts as part of a lengthy IDS. Pet., 14, 76-77. The prosecution history of the ’131 Patent makes clear that Applicant submitted the original Chinese-language versions of Zeng and Zhou, along with English translations of just the Abstracts, and represented to the Examiner that *only the Abstracts were “relevant” to patentability*:

9/20/2023

FOREIGN PATENT DOCUMENTS								Remove
Examiner Initial*	Cite No	Foreign Document Number ³	Country Code ² i	Kind Code ⁴	Publication Date	Name of Patentee or Applicant of cited Document	Pages, Columns, Lines where Relevant Passages or Relevant Figures Appear	T ⁵
/K.J.D/	1	107210486	CN	A	2017-09-26	Mitsubishi Chem Corp.	Corresponds to US Publication 20170324116A1	
/K.J.D/	2	108232300	CN	A	2018-06-29	Ningde Amperex Technology Ltd.	Corresponds to US Publication 20190214680A1	
/K.J.D/	3	105845984	CN	A	2016-08-10	Dongguan Shanshan Battery Mat. Co., Ltd.	English abstract	
/K.J.D/	4	106602131	CN	A	2017-04-26	Ningde Amperex Technology Ltd.	English abstract	
/K.J.D/	5	105047992	CN	A	2015-11-11	Ningde Amperex Technology Ltd.	English abstract	
/K.J.D/	6	105552439	CN	A	2016-05-04	Dongguan Shanshan Battery Mat. Co., Ltd.	English abstract	
/K.J.D/	7	106099187	CN	A	2016-11-09	Dongguan Kaixin Battery Mat. Co., Ltd.	English abstract	
/K.J.D/	8	106816633	CN	A	2017-06-09	University of Jiliang, China	English abstract	

Zhou

Zeng

Only Abstracts deemed “relevant”

EX1002, 15 (annotated)

As explained in the Petition, Zeng’s and Zhou’s Abstracts alone do not provide sufficient information to assess the patentability of the Challenged Claims, as the abstracts do not include most of the key teachings from Zeng and Zhou relied upon in the Petition. Pet., 76-77. In similar circumstances, other panels have found that prong 1 may not be satisfied for the entire reference because the “Examiner may not have been able to consider the portions of [the reference] on which Petitioner’s challenges are based” where only an “English language translation of Abstract only” was provided. *Osteomed LLC v. Stryker Eur. Operations Holdings LLC*, IPR2022-00487, Paper 8 at 9 (PTAB Aug. 12, 2022); *see also* Pet., 77. Patent Owner tries to

distinguish *Osteomed* by claiming the Examiner did not have access to machine translations prior to the rollout of the Patents End to End tool. Br., 54. But this is not true—examiners have had access to machine translation tools since long before E2E, including through internal USPTO tools like EAST and WEST that examiners have used for decades to obtain machine translations from external sources, as well as external tools such as the EPO’s Espacenet, Google Patents, and Google Translate.

Patent Owner’s cited authority is distinguishable because the entirety of the references at issue in each case was in **English**. Br., 62 (citing *Biocon Pharma Ltd. v. Novartis Pharms. Corp.*, IPR2020-01263, 2021 WL 608300, at *4 (PTAB Feb. 16, 2021) (references at issue were in English); *Philip Morris Prods., S.A. v. Rai Strategic Holdings, Inc.*, IPR2020-00921, 2020 WL 6750120, at *5 (PTAB Nov. 16, 2020) (references are all US patents or applications); *Mylan Pharms. Inc. v. Merck Sharp & Dohme Corp.*, IPR2020-00040, 2020 WL 2478503, at *6 (PTAB May 12, 2020) (references at issue were an English-language WIPO patent application and a US patent).

Patent Owner’s contention that “[t]here is no reason to assume the Examiner did not consider Zeng or Zhou” because the Examiner could have obtained full machine translations (Br., 54) also fails. Applicant’s IDS represented to the Examiner that only the Abstracts were relevant to patentability, therefore the Examiner had no reason to obtain full translations—particularly given the large

amount of other material already listed in that IDS. *See* EX1002, 184-192. Moreover, had the Examiner obtained complete translations and considered the full references despite Applicant's representation that it was unnecessary, the Examiner could have listed them on a PTO-892 Form accompanying an Office Action and furnished copies of the translations to Applicant. The Examiner did not. Further, had complete translations been obtained, then the Examiner would have (or should have) recognized that Zeng and Zhou taught the claimed features and rejected the claims as obvious. For all of the above reasons, the Board can reasonably infer that the Examiner did not consider full translations of Zeng and Zhou.

- **Hirai, Han, and Matsuoka**

Prong 1 is also not satisfied for either Hirai, Han, or Matsuoka. As the Petition explains, none of these references was cited or considered during prosecution. Pet., 14. No reference was before the Examiner that, like Hirai or Han, discloses the claimed electrode structural details and provides strong motivation for using that electrode structure with disclosed lithium-ion battery electrolytes. *See* Pet., 26-43, 47-50. Nor was any reference before the Examiner that, like Matsuoka, expressly teaches suitable amounts of propyl propionate—as a weight percentage of the total/final electrolyte—and provides strong motivation for using those amounts in such electrolytes. *See* Pet., 52-56.

- **Petitioner’s substantially different arguments**

Aside from the references themselves, *Advanced Bionics* prong 1 is also not met for the distinct obviousness arguments presented in the Petition. For example, as explained in the Petition, a prior IPR involving the ’363 Patent asserted anticipation based on the Hong reference, but institution was denied because that anticipation ground relied on three assumptions that the PTAB found lacked sufficient evidentiary support to establish inherency. Pet., 14-15. The present Petition, by contrast, asserts only obviousness grounds and arguments.

Accordingly, *Advanced Bionics* prong 1 is not met for the prior art references and arguments relied upon in the Petition.

- b. Prong 2: “whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.”**

Even if the first prong were met for any prior art reference, the second *Advanced Bionics* factor is not met. This prong asks, “whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.” IPR2019-01469, Paper 6 at 8. As the PTAB recently explained in a precedential decision, certain *Becton* factors are relevant to this analysis when the references were cited in an IDS:

- (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection;

- (e) whether petitioner has pointed out sufficiently how the examiner erred in its evaluation of the asserted prior art; and
- (f) the extent to which additional evidence and facts presented in the petition warrant reconsideration of the prior art or arguments.

Ecto World, LLC v. RAI Strategic Holdings, Inc., IPR2024-01280, Paper 13 at 3-4 (PTAB May 19, 2025) (citing *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 (PTAB Dec. 15, 2017)). Each of these factors weighs for institution and against discretionary denial.

For *Becton* Factor (c), the Zeng, Zhou, and Kim-'268 references were not the basis of any rejection or reasons for allowance. While the references were listed on an IDS, there is no evidence that the Examiner thoroughly evaluated these references. As discussed above, the Examiner was provided only the translated abstracts of Zeng and Zhou as the relevant material, and the portions relied upon in the Petition were never provided in English to the Examiner. For example, as discussed in the Petition, the prosecution record reflects that the Examiner only considered whether the Hong reference expressly disclosed a Z value falling inside the claimed Y/Z range—not whether the vast range *would have been obvious* based on prior art, much less for the specific reasoning in the Petition. See Pet., 43-44, 52-62. Zhou also directly teaches a Y/Z value falling inside the claimed range. See *id.*, 74.

As to *Becton* factor (e), the Zeng, Zhou, and Kim-'268 references include specific teachings that render the challenged claims obvious, as detailed in the Petition's discussion of those references and in the asserted Grounds. The Examiner's failure to recognize these teachings and issue rejections based on them constitutes material error.

Finally, *Becton* factor (f) weighs against denial for multiple reasons. As noted, the Examiner was never provided full translations of the Zeng and Zhou references; the complete English translations of those references now submitted constitute new evidence justifying consideration. In addition, the Petition and Dr. Lucht's expert declaration provide further context and explanation of the Zeng, Zhou, and Kim-'268 references, their relevance to the '131 Patent, and their role in rendering the challenged claims obvious. This information was not before the Examiner, and it is therefore appropriate for the Board to consider these references in light of this new evidence.

Accordingly, *Advanced Bionics* factor 2 is not met for any reference relied upon in the Petition.

3. A second '131 Petition does not warrant denial of institution.

Patent Owner cites to *General Plastic* to support its argument that "serial petitions" should be denied. Br., 63. But *General Plastic* addresses the propriety of "filing of follow-on petitions after the Board's denial of one or more first-filed

petitions on the same patent.” *Gen. Plastic Indus.*, Paper 19 at 15. This petition is not a “serial” or “follow-on” petition because it was filed before Patent Owner or the PTAB made any response to the IPR2025-00431 Petition. As the PTAB has explained, “petitions that were filed 90 days or fewer apart by the same petitioner against the same patent” are treated as proper “parallel” petitions, not serial or follow-on petitions. Patent Trial & Appeal Board Multiple Petitions Study Fiscal Years 2021-2022 Update (July 6, 2023) (available at https://www.uspto.gov/sites/default/files/documents/ptab_multiple_petitions_study_fy2021-2022_update.pdf?utm_campaign=subscriptioncenter&utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term=) at 3. Petitioner filed a Ranking paper in each proceeding explaining why institution of both Petitions is necessary and proper. Paper 3; IPR2025-00431, Paper 8 (PTAB Apr. 1, 2025).

There is no “abuse of review process” as this Petition did not enjoy the “potential benefit from receiving and having the opportunity to study Patent Owner’s Preliminary Response, as well as [the PTAB’s] institution decisions on the first filed petitions, prior to its filing of follow-on petitions.” *Gen. Plastic*, Paper 19 at 17. Petitioner did not “strategically stage their prior art and arguments in multiple petitions, using [the PTAB’s] decisions as a roadmap, until a ground is found that

results in the grant of review.” *Id.* Therefore, *General Plastic* is inapplicable, and the existence of a second petition does not weigh in favor of discretionary denial.

Patent Owner cites a recent decision by the Acting Director in *Crowdstrike Inc. v. GoSecure Inc.*, where the petitioner filed two IPRs challenging all claims of the same patent based on different claim constructions, and the Acting Director concluded that only one petition would be necessary once the term at issue had been construed. IPR2025-00068, Paper 25 at 2 (PTAB June 25, 2025). The circumstances here, however, differ from those in *Crowdstrike*.

In *Crowdstrike*, both petitions challenged *all* claims of the challenged patent—one under a broad construction and the other on a narrow construction of the term at issue. This rendered one of the petitions unnecessary depending on whether the Board adopted the broad or narrow construction for the disputed claim term. Here, however, the first ’131 Patent IPR Petition in IPR2025-00431 challenges claims 1–7, 12, and 14–17 under Patent Owner’s assertion that both independent claims 1 and 14 correspond to the Figure 4 embodiment, in which the same electrode C has a single-sided coating on a first portion of its current collector and a double-sided coating on a second portion of that current collector. Paper 3 at 2–3. In contrast, the instant Petition challenges *only* claims 14–17 under the correct view that independent claim 14 corresponds to the Figures 2–3 embodiment, in which electrodes A and B respectively have single- and double-sided coatings on their

current collectors. *Id.* Thus, unlike in *Crowdstrike*, the -00431 Petition—the only petition of the two that challenges claims 1-7 and 12—remains necessary regardless of which embodiment the Board concludes independent claim 14 corresponds to. Accordingly, *Crowdstrike* does not apply here.

IV. CONCLUSION

When the *Fintiv* Factors and other discretionary considerations are evaluated holistically to determine whether efficiency and integrity of the patent system are best served by denying or granting institution of this IPR, the answer is clear: the Director should not exercise discretion to deny institution. This was the conclusion the Director reached in the other five related petitions, and it is the same conclusion that should be reached for this Petition.

Respectfully submitted,

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Lead Counsel for Petitioner

Date: August 5, 2025

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

This Petitioner's Response to Patent Owner's Discretionary Denial Brief complies with the type-volume limitation of 14,000 words, comprising 10,281 words, excluding the parts exempted by 37 C.F.R. § 42.24(a)(1).

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

Respectfully submitted,

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Date: August 5, 2025

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

I certify that the above-captioned **PETITIONER'S RESPONSE TO PATENT OWNER'S DISCRETIONARY DENIAL BRIEF and EXHIBITS EX1029 through EX1042** were served in their entireties upon the Patent Owner on August 5, 2025, by email to the following addresses:

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