

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MICROSOFT CORPORATION,
Petitioner,

v.

TS-OPTICS CORPORATION,
Patent Owner.

IPR2025-00767
Patent No. 7,266,055

REQUEST FOR DISCRETIONARY DENIAL

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I. INTRODUCTION

Pursuant to the Memorandum by the Acting Director dated March 26, 2025 setting forth the “Interim Processes for PTAB Workload Management” (the Memorandum),¹ TS-Optics Corporation (“TS-Optics”) respectfully requests that the Acting Director exercise her discretion under 35 U.S.C. § 314(a) and/or § 325(d) and deny instituting an *inter partes* review (“IPR”) proceeding for U.S. Patent No. 7,266,055 (the “’055 Patent”). As explained further below, the ’055 Patent is the subject of a parallel district court case in the Central District of California (the “Parallel Litigation”) between TS-Optics and Microsoft Corporation (“Microsoft” or “Petitioner”) that has been pending for nine months. In the Parallel Litigation, the Parties have already served infringement and invalidity contentions, and discovery is well under way. Claim construction begins in less than two weeks and will be decided before any institution decision issues in this case. Further, the trial date in the Parallel Litigation is August 24, 2026—two months ***before*** any final written decision would issue in this case.

¹ Available at

<https://www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf>.

Even before the Parallel Litigation, Petitioner had been aware of the '055 Patent for over a decade, including a period of time when it licensed the patent, yet Petitioner waited until mere months before the '055 Patent is set to expire (on September 30, 2025) to file its Petition. Given Petitioner's long history with the patent and its imminent expiration, there is no need for the Board to spend valuable resources on the Petition.

The Petition is also baseless. For example, and as discussed below, Petitioner has failed to show that the references disclose the coil, inner yoke, and/or cavity arrangements recited in the '055 Patent. Moreover, Petitioner's cited references are cumulative to those considered during prosecution, and Petitioner has failed to explain why the Office materially erred in issuing the '055 Patent in view of these similar references. Instituting this IPR would be an inefficient use of the Board's resources and accordingly institution should be denied.

II. PETITIONER'S KNOWLEDGE OF THE '055 PATENT AND THE OVERLAPPING PARALLEL LITIGATION

Petitioner knew of the '055 Patent years before the Parallel Litigation commenced. As the Complaint in the Parallel Litigation explains, in 2011, Petitioner and Samsung Electronics entered into a cross-license agreement, which, on information and belief, included the '055 Patent and which terminated around July 2018. See Dkt. 1, Complaint in *TS-Optics Corporation v. Microsoft Corporation*, CDCA-8-24-cv-01974 (filed September 12, 2024), ¶ 9. Thus, Petitioner has known

of the '055 Patent for over a decade. Then, almost three years ago, in November 2022, TS-Optics sent Petitioner a letter about its infringement of the '055 Patent. *Id.* Then, on September 12, 2024, TS-Optics then filed its Complaint in the Parallel Litigation. *Id.*

Should Petitioner have wanted to challenge the validity of the '055 Patent, it could have done so any time over the past decade. It did not. Instead, it waited until March 2025, six months into the Parallel Litigation and six months before the expiration² of the '055 Patent to file its Petition.

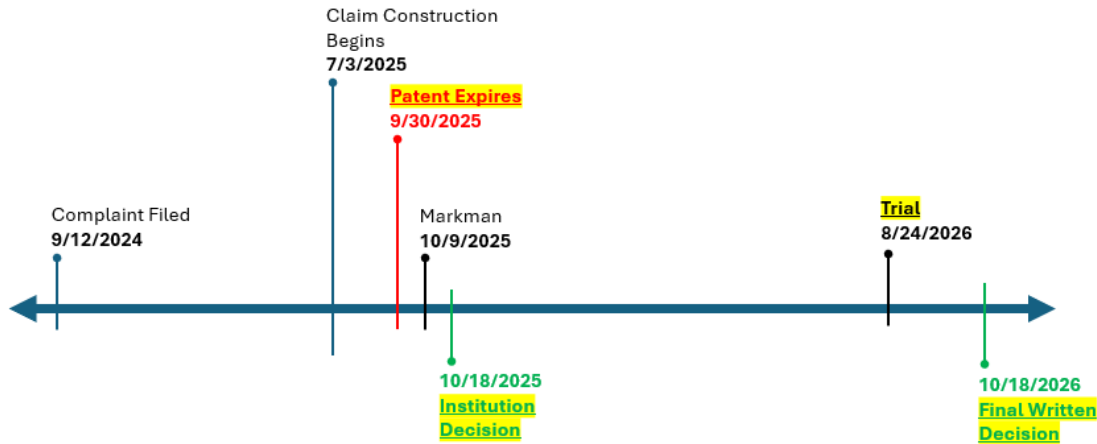
At this point, the Parallel Litigation is substantially underway. Infringement and invalidity contentions—which contain invalidity challenges that overlap with those here—have already been exchanged and the claim construction process is scheduled to start on July 3, 2025. Ex. 2002, Special Master Order, Dkt. 37-1 in *TS-Optics Corporation v. Microsoft Corporation*, CDCA-8-24-cv-01974; Ex. 2004, Petitioner's Invalidity Contentions in *TS-Optics Corporation v. Microsoft Corporation*, CDCA-8-24-cv-01974. In fact, by October 18, 2025, the deadline for an institution decision issuing, the Parallel Litigation will have been ongoing for

² As explained below, the '055 Patent expires September 30, 2025, before an institution decision is due. This date is calculated by adding twenty years to the U.S. priority date of May 20, 2004 and adding the 498 days of patent term adjustment listed on the front face of the patent. *See* Ex. 1001; 35 U.S.C. § 154.

over a year, and all claim construction briefing and the *Markman* hearing will have occurred. Ex. 2002.

Further, because of the advanced stage of the Parallel Litigation, if institution is granted, TS-Optics will be forced to juggle significant deadlines in the Parallel Litigation with deadlines in this proceeding. In particular, fact discovery in the Parallel Litigation closes January 19, 2026, a day after the Patent Owner Response would likely be due in this proceeding and 12 days before the mediation deadline in the Parallel Litigation. Ex. 2001, Scheduling Order, Dkt. 31 in *TS-Optics Corporation v. Microsoft Corporation*, CDCA-8-24-cv-01974; Ex. 2003, ADR Order, Dkt. 32 in *TS-Optics Corporation v. Microsoft Corporation*, CDCA-8-24-cv-01974. Petitioner, however, will have a few months after mediation to file its Reply. Then, when it comes to the Sur-Reply, TS-Optics will once again be balancing motions for summary judgment, which will be heard June 15, 2026, with the due date of the Sur-Reply, and also be heavily involved with pre-trial preparations for the Parallel Litigation trial, which begins August 24, 2026, two months before any final written decision would issue in this case. Ex. 2001.

The significant deadlines for the Parallel Litigation and the IPR are shown in the below timeline for convenience.



See Exs. 2002, 2002.

III. THE IPR PETITION

The Petition (Paper 2) presents 11 Grounds based on eight references and Applicant Admitted Prior Art (“AAPA”) as follows:

Ground	Reference(s)	Challenged Claims
1	Choi alone or with AAPA	1-4, 7-8, 10-13, 15, 40
2	Choi+Ogata	1-4, 7-8, 10-13, 15, 40, 43-45
3	Choi+Ogata+Santo	41-42
4	Choi+Ikeda	7-8
5	Choi+Ogata+Ikeda	40, 43-45
6	Choi+Ogata+Santo+Ikeda	41-42
7	Ogata+Kamata	36-38
8	Kabasawa alone or with AAPA	17, 21, 23-24, 28
9	Miura (alone or with AAPA) +Kamata	17, 19, 23-24, 26
10	Sugiyama alone or with AAPA	1, 3-4, 10, 12-13
11	Sugiyama (alone or with AAPA)+Kabasawa	5-6, 14

(Pet., p. 3.)

Petitioner filed the Petition on March 31, 2025, over six months after the Complaint was filed in the Parallel Litigation, over two years after Petitioner was aware of TS-Optics’ patent infringement claims, over six years after Petitioner’s cross-license agreement concerning the ’055 Patent terminated, and over a decade after Petitioner was first aware of the ’055 Patent.

The Petition is accompanied by a 213-page, 288-paragraph declaration (Ex. 1002) from Masud Mansuripur, Ph.D. The declaration is almost 100 pages longer than the Petition and discusses five other references (Exs. 1012–1016) that are not discussed in the Petition.

IV. ALL *FINTIV* FACTORS FAVOR DISCRETIONARY DENIAL

35 U.S.C. § 314(a) “invests the Director with discretion on the question whether to institute review.” *SAS Inst., Inc. v. Iancu*, 584 U.S. 357, 366 (2018). The Board is “permitted, but never compelled, to institute an IPR proceeding.” *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016).

Fintiv identifies six factors for the Board to consider in deciding whether to exercise discretion to deny institution under 35 U.S.C. § 314(a) based on parallel proceedings:

Factor 1: Whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;

Factor 2: Proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;

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Factor 3: Investment in the parallel proceeding by the court and the parties;

Factor 4: Overlap between issues raised in the petition and in the parallel proceeding;

Factor 5: Whether the petitioner and the defendant in the parallel proceeding are the same party; and

Factor 6: Other circumstances that impact the Board’s exercise of discretion, including the merits.

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11, 5–6 (Mar. 20, 2020). As explained below, all of the *Fintiv* factors favor denial.

A. Factor 1: The District Court is Unlikely to Grant a Stay, Which Favors Denial

The Parallel Litigation is not stayed, and Petitioner does not intend to seek a stay until an institution decision issues. (Pet., p. 115). By the time Petitioner moves for a stay, however, the District Court is unlikely to grant it absent agreement from both parties.

In deciding whether to grant a stay pending an IPR, courts in the Central District of California consider the stage of the litigation, whether a stay has the potential to simplify the issues, and whether a stay would unduly prejudice or present a clear tactical disadvantage to the nonmoving party. *E.g., Ravgen, Inc. v. Quest Diagnostics, Inc.*, No. 2:21-CV-09011-RGK-GJS, 2022 WL 2047615 at *2 (C.D. Cal. Feb. 2, 2022). The Central District of California disfavors stays where “the parties and the Court have [already] expended non-trivial resources into [the]

litigation.” *Polaris Innovations Ltd. v. Kingston Tech. Co., Inc.*, No. SACV 16-00300-CJC (RAOx), 2016 WL 7496740, at *2 (C.D. Cal. Nov. 17, 2016).

Here, the Parallel Litigation is currently at an advanced stage and will be even more advanced by the time an institution decision issues and Petitioner moves to stay the Parallel Litigation. Even if Petitioner quickly submits its motion to stay after potential institution, the motion would not be set for hearing until mid-November 2025 at the earliest. By then, claim construction in the Parallel Litigation will be finished, and the end of fact discovery will be just two months away. See Exs. 2001, 2002. This is similar to *Ravgen*, where the Central District of California denied a stay because, when the motion to stay was filed, the parties had fully briefed claim construction and attended a *Markman* hearing. 2022 WL 2047615 at *3. *Ravgen* also considered that the final written decision would not be due until two years after filing the Complaint and that the patents would expire soon after a final written decision. *Id.* The situation here is even less deserving of a stay because, not only will the Complaint have been pending for over two years before any final written decision, but the patent will already be expired by the time any institution decision would issue, let alone the final written decision. And these timing issues are entirely of Petitioner’s doing because Petitioner waited over a decade after first learning of the ’055 Patent to challenge its validity before the USPTO.

In addition, a stay would not significantly simplify the issues in the Parallel Litigation. First, the Parallel Litigation involves two patents, only one of which is addressed in this IPR. There is currently no pending IPR on the other patent, so even if Petitioner won all Grounds in this IPR, which is unlikely, the Parallel Litigation would still have to address validity for that patent. And even if Petitioner filed an IPR petition on the other patent, that proceeding would lag even further behind the Parallel Litigation than the instant IPR, making a stay unlikely. Second, the Parallel Litigation addresses § 112 arguments and more prior art than the instant Petition. Thus, even though Petitioner has filed a *Sotera* stipulation, the Parallel Litigation would still have to address validity arguments on the same claims here. In addition, “the Court does not presume to know how the PTAB may rule in the IPRs.” *Id.* at *3 (citing *Kirsch Research and Dev., LLC v. Epilay, Inc.*, 2021 WL 4732578, at *3 (C.D. Cal. May 7, 2021)) (finding this factor “neutral at best” because it was speculative whether Petitioner would be successful). Petitioner is unlikely to win all Grounds given the weakness of the merits, as explained below with respect to *Fintiv* Factor 6. Thus, a stay offers minimal efficiencies, at best.

A stay would also unduly prejudice or present a clear tactical disadvantage to TS-Optics. This is because a stay would place the '055 Patent “in limbo for the majority of its remaining life,” which “would create a clear tactical disadvantage”

for TS-Optics. *Id.* at *4 (denying stay where asserted patent expired five months after PTAB’s ruling.)

B. Factor 2: Trial Begins Months Before the Final Written Decision, Favoring Denial

“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 under *NHK*.” *See Fintiv* at 9. Under the new bifurcated pre-institution process, the Acting Director has exercised discretion to deny institution where the district court’s scheduled trial date and/or time-to-trial statistics indicate that trial will occur before a final written decision—even if only by a few months. *See Arm Lt. et al v. Daedalus Prime LLC*, IPR2025-00207, Paper 10 at 2 (May 16, 2025) (denying institution where the district court trial was scheduled five months before the final written decision was due, and the district court’s time-to-trial statistics suggested that trial would occur 1-3 months before a final written decision). This applies here and discretionary denial is warranted.

Here, the trial date of August 24, 2026 is almost two months earlier than the final written decision projected statutory deadline of October 18, 2026. *See Ex. 2001*. Additionally, the trial date is consistent with Petitioner’s median time-to-trial statistics for the Central District of California as it is approximately 25 months after the Complaint was filed. *Ex. 1018* (providing medians ranging from 22.3 to 29.7 months for cases tried between 2019 and 2024). Not only is the trial timing

consistent with median time-to-trial statistics, but there is no reason to believe the trial will be delayed past its scheduled date. In addition, as explained below with respect to *Fintiv* Factor 4, the trial will still have to address invalidity challenges despite Petitioner's *Sotera* stipulation. Moreover, only certain claims are challenged in the Parallel Litigation. Especially where the '055 Patent expires prior to a potential final written decision, institution will unnecessarily prolong the parties' invalidity dispute months beyond the trial date, even if Petitioner wins all invalidity challenges in the Parallel Litigation, at the cost of extensive Board resources.

C. Factor 3: The Large Investment in the Litigation Favors Denial

Petitioner argues that Factor 3 favors institution because the litigation is "in its infancy" and Petitioner has not yet served invalidity contentions (Pet., p. 116) even though Petitioner knew that would not be the case by the time the institution decision would issue. *See* Ex. 2004 (dated April 28, 2024). Since the Petition was filed, Petitioner has served its invalidity contentions, and by the time the institution decision is due, the Parties will have been actively litigating in the Parallel Litigation for about 13 months, more than half of the time from filing the Complaint to trial. Petitioner and TS-Optics will have already expended significant resources, in both man hours and dollars, in the Parallel Litigation before the institution decision issues, let alone any final written decision that would issue in this case if instituted.

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Further, by the time the institution decision issues, claim construction will be fully briefed, a *Markman* hearing will have occurred, and a claim construction order will be imminent or may have even issued, meaning the District Court will also have expended significant resources in the case. Ex. 2002; *See Fintiv* at 10 (“[D]istrict court claim construction orders may indicate that the court and parties have invested sufficient time in the parallel proceeding to favor denial.”). And by the time of the final written decision, the trial will be done, meaning even more resources will have been expended by the parties and the District Court on a dispute for a patent that will have been expired for over a year. Ex. 2001. Thus, this case is similar to *Motorola Solutions*, where the Acting Director recently denied institution due to the significant expenditures that the parties had already made in the district court case. *Motorola Solutions, Inc., v. Stellar, LLC*, IPR2024-01205, Paper 19 at 2–3 (Mar. 28, 2025). There, like here, the parties had served extensive infringement and invalidity contentions, filed claim construction briefs, made significant investments in expert discovery by the time of the institution decision, and completed trial by the time of a final written decision. *See Exs. 2001, 2002, 2004.*

Additionally, if this IPR proceeds, both the Board and the District Court will have to independently resolve claim-construction issues for an expired patent, resulting in duplicate effort and costs. This could result in inconsistent rulings and

further complications. That waste, duplication, and redundancy alone is sufficient reason to discretionarily deny the Petition.

In other words, the parties have already expended significant resources litigating the '055 Patent in the District Court, and significant more resources will be expended in the District Court, including trial, before any final written decision issues in this proceeding. The only practical effect of institution is increasing the workload on the parties by duplicating efforts between the Board and the District Court at the cost of the Board's limited resources. The issues raised in the Petition can be (and likely will be) resolved in the District Court. The District Court will be thoroughly familiar with the '055 Patent and can most efficiently resolve all issues, and thus this Factor favors denial.

D. Factor 4: Overlapping Invalidity Issues Favor Denial

Petitioner's Invalidity Contentions in the Parallel Litigation overlap with, but are more expansive than, the Grounds raised in the Petition. Thus, even though Petitioner filed a *Sotera* stipulation, this stipulation does not necessarily compel institution and is "not likely to moot" the "invalidity arguments in the district court [when they] are more expansive." *Motorola Solutions*, Paper 19 at 3-4 (citations omitted); Chief APJ Boalick, Memo. at 2-3 (Mar. 24, 2025) ("[A] timely-filed *Sotera* stipulation . . . will **not** be dispositive by itself" (emphasis added)); *See* Dkt. 41,

Sotera Stipulation, in *TS-Optics Corporation v. Microsoft Corporation*, CDCA-8-24-cv-01974.

First, the Invalidity Contentions in the Parallel Litigation reference all eight prior art references in the Grounds of this Petition, in addition to numerous other references, including five additional primary references, one of which has overlapping inventors and subject matter as a reference raised in the IPR. Ex. 2004, 11–13. Second, with respect to prior art, the Invalidity Contentions challenge the claims under § 102 anticipation, in addition to § 103 obviousness challenges that overlap with the § 103 challenges here. *Id.* at 17–23. The Petition, however, only challenges the claims under § 103 obviousness. (Pet., p. 3.) Third, the Invalidity Contentions also raise § 112 challenges, which cannot be raised in this IPR. *Id.* at 24, 40–41. Thus, even under a broad reading of the *Sotera* stipulation,³ the District

³ The scope of the *Sotera* stipulation is ambiguous, and it is expected the Parties will dispute what it covers. TS-Optics believes that the *Sotera* stipulation broadly covers all prior art arguments, or all arguments that could be reasonably raised based on § 102 and § 103. At the very least, the stipulation covers all invalidity arguments that use any of the references cited in this Petition, even if combined with a reference not raised in this Petition, in addition to any arguments based on KR 20020045022

Court will still have to assess validity challenges for claims at issue in this IPR and undergo claim construction.

If this IPR is instituted, both the Board and the District Court will assess the patentability of the same claims and invest significant resources in fully understanding the invention, the scope of the claims, the ordinary level of skill in the art, etc. This creates substantial overlap even if the invalidity grounds are not exactly the same.⁴ Accordingly, “Petitioner’s stipulation does not ensure that these IPR

(referred to as “Choi2” in the Invalidity Contentions), because Choi2 has overlapping inventors and subject matter as the primary reference KR 20010038068 (“Choi”) raised in the Petition. However, if the District Court interprets the *Sotera* stipulation narrowly (*e.g.*, determines that the stipulation does not cover all prior art arguments or does not cover Choi2, as Petitioner is likely to argue), then Petitioner has even more chances to raise invalidity grounds in the District Court that are similar to the invalidity grounds raised here, including under the same statute § 103, duplicating efforts among the District Court and the Board.

⁴ If Petitioner argues that the IPR challenges more claims than in District Court and thus the validity challenges are different, these other claims are not asserted in the District Court and will be expired by the time of any final written decision. Thus,

proceedings would be a ‘true alternative’ to the district court proceeding.” *Motorola Solutions*, Paper 19 at 3–4. Although Petitioner’s *Sotera* stipulation may mitigate some duplication, it is not enough to offset the IPR’s time lag relative to the Parallel Litigation, making institution nonetheless be extremely inefficient. *See Google*, IPR2024-01464, Paper 15 at 12–13 (denying institution despite that *Sotera* stipulation mitigated some duplication because the invalidity contentions were more expansive).

E. Factor 5: Identical Parties Favor Denial

The parties are identical in the two proceedings—Petitioner is the defendant in the Parallel Litigation. Thus, *Fintiv* factor 5 weighs against institution. *See Fintiv* at 15.

F. Factor 6: Other Considerations Favor Denial

The Acting Director provided additional considerations for the *Fintiv* factor 6 analysis in the Memorandum, including, *inter alia*:

- o The settled expectations of the parties, such as the length of time the claims have been in force;

as explained in more detail below, this suggests that the non-litigation claims are raised in this IPR solely in an effort to differentiate the Petition from the issues in the District Court. These extra claims in the IPR unnecessarily prolong the validity dispute after trial.

- o The strength of the unpatentability challenge;
- o The extent of the petition's reliance on expert testimony;
- o Whether there have been changes in the law or new judicial precedent issued since issuance of the claims that may affect patentability;
- o Any other considerations bearing on the director's discretion.

March 26, 2026 Memorandum titled "Interim Processes for PTAB Workload Management," at 2–3.

1. The claims have been in force for almost their entire term, Petitioner has known about the '055 Patent for over a decade, and the '055 Patent will expire by the time an institution decision is due

The '055 Patent issued in September 2007, almost 18 years ago. Petitioner has known about the '055 Patent, and the fact that its products read on its claims, since 2011, over a decade ago. That is when, on information and belief, Petitioner entered into a cross-license agreement with Samsung that covered the '055 Patent. Dkt. 1, Complaint in *TS-Optics Corporation v. Microsoft Corporation*, CDCA-8-24-cv-01974 (filed September 12, 2024), ¶ 9. Then, after the cross-license expired and the patent had changed ownership, in November 2022, TS-Optics sent Petitioner a letter about its infringement as well as offering to discuss a license. *Id.* TS-Optics then filed its Complaint in September 2024. *Id.*

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The '055 Patent is set to expire September 30, 2025, before an institution decision is due. Petitioner has had ample notification and time during the pendency of the '055 Patent to challenge its validity, as it could have done so anytime over the past decade. It did not. Instead, it waited until March 2025, six months into the Parallel Litigation and six months before the '055 Patent will expire, to file its Petition. The Acting Director has recently found that failure to seek early review of a patent favors denial even where *Fintiv* Factors 2 and 3 weigh against denial. *iRhythm Technologies, Inc. v. Welch Allyn, Inc.*, IPR2025-00377, Paper 10, at 2–3 (June 6, 2025). In *iRhythm*, the Petitioner had been aware of the patent for 12 years. *Id.* at 3. Here, Petitioner has likely been aware of the '055 Patent for 14 years. Moreover, and as discussed above, discretionary denial is even more warranted here as Factors 2 and 3 both also weigh in favor of denial.

TS-Optics respectfully submits that it has an expectation to the validity of its property rights based on the length of time the claims have been in force, and this expectation should weigh against institution. Petitioner has also acted, for the majority of the '055 Patent's life, as if the '055 Patent is valid and in force by entering into a license agreement during some of the life of the '055 Patent, which should also weigh against institution.

2. The merits of the Petition favor denial

The Petition's only argument regarding *Fintiv* Factor 6 is the conclusory statement that "[t]he strength of Petitioner's challenges on the merits further weighs in favor of institution." (Pet. at p. 117.) This statement is attorney argument, lacks any explanation as to why the Petition is "compelling," and deserves no weight. *See, e.g., Oakley, Inc. v. Sunglass Hut Int'l*, 316 F.3d 1331, 1343 (Fed. Cir. 2003) (explaining that unsupported testimony is "facially deficient"); *Dell, Inc. v. Elecs. & Telecommn's Research Inst.*, IPR2014-00152, Paper 12 at 19-20 (May 16, 2014) (giving no weight to conclusory assertions); *See, e.g., In re Geisler*, 116 F.3d 1465, 1470 (Fed. Cir. 1997) (attorney argument is not evidence); *Icon Health & Fitness, Inc. v. Strava, Inc.*, 849 F.3d 1034, 1043-44 (Fed. Cir. 2017) (same).

Nor is the Petition strong. First, the Petition relies solely on Grounds asserting obviousness under 35 U.S.C. § 103. Second, applicant admitted prior art, or "AAPA," forms the basis of five of Petitioner's Grounds in violation of § 311(b). *See Qualcomm Inc. v. Apple Inc.*, 134 F.4th 1355, 1368 (Fed. Cir. 2025). § 311(b) states that IPR grounds are raised "only on the basis of prior art consisting of patents or printed publications." 35 U.S.C.A. § 311 (West). "AAPA is not a prior art patent or printed publication." *Id.* at 1364. While AAPA could be permissible to show background or general knowledge, using AAPA in combination with other art does not necessarily resolve § 311(b) compliance issues because a petition could "rel[y]

Request for Discretionary Denial

on AAPA in combination with prior art patents and printed publications but also include[] the same AAPA as the basis or part of the basis,” in which case, the petition fails to comply with § 311(b). *Id.* at 1360, 1365.

Here, like in *Qualcomm*, Petitioner explicitly cites AAPA for several Grounds in its Grounds Table. And the AAPA is not used as only background or in a passing manner. Instead, Petitioner uses AAPA as a basis in Grounds 1 and 8–11 to argue obviousness for limitations 1[b], 10[a], 10[b], 24[a], and 24[b]. The fact that AAPA is used in combination with other art does not necessarily resolve compliance issues. *Qualcomm*, 134 F.4th at 1365. Because AAPA is explicitly used to address missing limitations, AAPA substantively forms the basis of the Grounds. These Grounds therefore fail to comply with § 311(b). *Qualcomm*, 134 F.4th at 1368.

Third, while TS-Optics will address the merits more substantively in its preliminary response due next month, Petitioner’s primary references fail to disclose or suggest all claimed features. With respect to Grounds 1–6, Choi fails to disclose the claimed coil arrangement. As a result, Petitioner relies on impermissible hindsight and piecemeal reconstruction that would not have been obvious to a POSITA to modify Choi. For example, though Petitioner proposes to combine the references, Choi and Ogata are not combinable, and such a combination would frustrate the intended purpose of the inventions in Choi and Ogata. Thus, as will be explained in more detail in the POPR, Grounds 1–6 are not strong.

Grounds 7–11 similarly fail because the cited references do not disclose the claimed coil arrangement and other claim limitations, such as the claimed yoke and cavity arrangements. Petitioner again relies on impermissible hindsight and piecemeal reconstruction using secondary sources to remedy these failings, but the combinations are not obvious or appropriate to a POSITA.

These arguments are not exhaustive as to why the Petition fails on its merits but simply provide examples of the deficiencies in the Petition. TS-Optics reserves the right to present substantive flaws in the merits of the Petition in its forthcoming Preliminary Response and Patent Owner Response (if necessary).

3. The Petition’s heavy reliance on expert testimony and improper attempts to skirt the word limit favor denial

The Petition’s heavy reliance on expert testimony for its obviousness Grounds reinforces the weakness, not strength, in the Petition’s positions. Because all of Petitioner’s Grounds are based on obviousness, the Petition hinges on the expert’s rationales for motivations to combine multiple references and to explain Petitioner’s proposed modifications. Moreover, many portions of the Petition resemble large tracts of Prof. Mansuripur’s declaration. *See, e.g., Kinetic Techs., Inc. v. Skyworks Solutions., Inc.*, IPR2014-00529, Paper 8, at 15 (Sept. 23, 2014) (“Merely repeating an argument from the Petition in the declaration of a proposed expert does not give that argument enhanced probative value.”). Such heavy reliance on expert testimony is more appropriate in the Parallel Litigation where the judge and jury can receive

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expert testimony live in person and assess credibility firsthand. That would be extremely unusual in an IPR.

Significantly, Prof Mansuripur's 213 page, 288-paragraph, declaration (Ex. 1002) is nearly 100 pages longer than the 118-page petition itself, not only reflecting Petitioner's heavy reliance on expert testimony but also its attempt to skirt the word count. According to its word-count certificate, the Petition is just 4 words under the 14,000-word limit. (*See* Pet. at 131). This does not include the additional words and annotated drawings in the expert declaration. It also does not account for the non-standard spacing and formatting—every instance of the paragraph symbol (¶) in the petition omits a following space to reduce the word count. *See, e.g., Axon Enter., Inc. v. Digital Ally, Inc.*, IPR2017-00375, Paper 9 at 2 n.2 (June 6, 2017) (“Petitioner . . . fails to use normal spacing in the Petition for numerous citations in order to reduce the word count.”); *see also Google Inc. v. Makor Issues & Rights Ltd.*, IPR2017-00815, Paper 8 at 5-6 (Aug. 23, 2017) (“The parties shall comply with 37 C.F.R. § 42.24 and be familiar with Board interpretations of that regulation. . . . Cutting and pasting text into a document as an image is unreasonable . . . unless any added text is included manually in the final word count.”). These considerations weigh in favor of denial.

4. There has been no change in the law

The Petition does not assert that a change in law or judicial precedent warrants revisiting the patentability of the '055 Patent because there has not been any change. The '055 Patent issued in September 2007. There have been no major developments on the law of § 103, which the Petition relies on, since the '055 Patent issued. This is supported by the fact that the Petition does not rely on any recent developments to the law and cites to only a handful of Federal Circuit cases—so few that the Petition does not include a table of authorities.

5. The Parallel Litigation can most efficiently resolve the Parties' entire dispute all at once

As noted above, the '055 Patent is one of two patents at issue in the Parallel Litigation. The Parallel Litigation will resolve not just the Parties' dispute about the '055 Patent but the Parties' disputes regarding both patents. As of the filing of this brief, Petitioner has not filed an IPR on the second patent at issue in that case, and thus a stay is unlikely.

It would be most efficient to conduct one proceeding (the Parallel Litigation) to resolve the Parties' disputes rather than conducting separate proceedings to resolve the same disputes in a piecemeal, duplicative, and potentially inconsistent manner. Rather than spend limited resources duplicating efforts over an expired patent, the Board could spend its limited resources on other issues, including those with other statutory deadlines, such as other review petitions that concern unexpired

patents or should otherwise be evaluated, review trials that have already started, or other issues before the Board, such as *ex parte* appeals. For this additional reason, the Acting Director should exercise her discretion to deny institution.

Petitioner may argue that the Petition addresses unasserted claims that will not be addressed during trial. But Petitioner is not accused of infringing these claims, and it is not clear what interest Petitioner has in invalidating the claims. By the time of any final written decision, the unasserted claims will be expired. Moreover, in the District Court, Petitioner brought a counterclaim of invalidity of the '055 Patent. Dkt. 15, *TS-Optics Corporation v. Microsoft Corporation*, CDCA-8-24-cv-01974 (filed December 10, 2024), pgs. 13–14. Petitioner has not, however, challenged the validity of these unasserted claims in the District Court. That fact, combined with the fact that Petitioner did not bring its Petition earlier despite knowing of the '055 Patent for at least a decade prior, suggests that the non-litigation claims are raised solely in an effort to differentiate the Petition from the issues in the District Court. Instituting an *inter partes* review on this basis would be a waste of the Board's resources.

6. Institution of an IPR trial will disproportionately prejudice TS-Optics in the Parallel Litigation

The timing of post-institution briefing will distract TS-Optics from mediation preparation, the close of fact discovery, and summary judgment motions. Petitioner, however, will not be similarly impacted.

In particular, if this IPR is instituted, TS-Optics' Patent Owner Response would likely be due January 18, 2026, the day before the close of fact discovery and 12 days before the date mediation must be completed. There are no district court due dates between the time mediation must be completed on January 30, 2026 and the anticipated April 18, 2026 due date for Petitioner's Reply. Meanwhile, TS-Optics will have to balance the due date of its Sur-Reply (May 30, 2026) with summary judgment briefing and an upcoming summary judgment motion hearing on June 15, 2026 in the Parallel Litigation.

Even assuming *arguendo* that the burdens of the Parallel Litigation were distributed equally on the Parties, Petitioner is much more able to absorb those burdens than TS-Optics. Petitioner (Microsoft) is frequently ranked either the largest or second largest company in the world by market cap, which is in the trillions.⁵ TS-Optics is a small company with significantly less resources.

⁵<https://www.fool.com/research/largest-companies-by-market-cap/?msocid=18e44f5901a7640a32cd5adf00b565b6> (second largest company in the world as of May 1, 2025 based on \$2.93 trillion market cap, and tied for first as of May 30, 2025 based on \$3.4 trillion market cap); <https://www.forbesindia.com/article/explainers/top-10-largest-companies-world->

7. Petitioner’s references are cumulative with respect to the references already considered by the Office

As discussed in more detail below, Petitioner’s references are cumulative to the prior art considered during prosecution. Although the references in the Petition were not cited, they contain cumulative coil arrangements to those that the Examiner considered. For example, KR 20000039836 (“Park”), which was before the Office during prosecution, has a similar coil structure to that of Petitioner’s primary reference, Choi, with respect to the claimed features. Similarly, JP 2002-140828 (“Kono”), the Examiner’s primary reference during prosecution, has a similar coil structure as Ogata, which is Petitioner’s next most-relied on reference. Petitioner’s other primary references are similarly cumulative to Kono and/or Park with respect to the claimed features. This supports denying institution, as explained in more detail below.

V. § 325(d) FAVORS DISCRETIONARY DENIAL

The Director may deny institution if the challenge to the patent is based on matters previously presented to the Office. 35 U.S.C. § 325(d). The cumulative nature of prior art references is among the factors that go into such considerations.

[market-cap/86341/1](#) (largest company in the world as of May 21, 2025 based on \$3.405 trillion).

Becton, Dickinson & Co. v. B. Braun Melsungen AG, IPR2017-01586 (PTAB Dec. 15, 2017). In evaluating discretionary denial under § 325(d), the Board considers (1) whether the same or substantially the same art or arguments were presented to the Office during the original prosecution; and (2) whether the Petitioner has demonstrated that the Office erred in a manner material to the patentability of the challenged claims. *Advanced Bionics, LLC v. Med-El Elektromedizinische Geräte GMBH*, IPR2019-01469, Paper 6, at 8, 10 (P.T.A.B. Feb. 13, 2020) (“*Advanced Bionics*”) (precedential). Once the Board determines that part one of this framework is satisfied, it then considers whether Petitioner can show “material” error. *Advanced Bionics*, IPR2019-01469, Paper 6, 8-10; *Ecto World, LLC, et al v. RAI Strategic Holdings, Inc.*, IPR2024-01280, Paper 13, at 4–6 (clarifying Petitioner’s burden to show “material” error.)

Prior art references are considered cumulative when they substantially reiterate or provide no more than what was already taught by previously cited or considered prior art. See, e.g., *Halliburton Co. v. Schlumberger Technology Corp.*, 925 F.2d 1435, 1440-1442 (Fed. Cir. 1991); *Gambro Lundia AB v. Baxter Healthcare Corp.*, 110 F.3d 1573, 1580-1581 (Fed. Cir. 1997); *University of California v. Eli Lilly and Co.*, 119 F.3d 1559, 1574-1575 (Fed. Cir. 1997). That is the case with Petitioner’s primary references here because they disclose nearly identical coil arrangements as references cited and considered by the Examiner

during prosecution. They therefore provide no more disclosure than what was already considered and rejected by the Examiner in the prior art of record. Thus, even though Petitioner's exact references were never cited or considered, they are nevertheless cumulative given their similarities to the prosecution references with respect to the claimed coil features. *See Intel Corporation v. InterDigital, Inc.*, IPR2024-01441, Paper 13 (finding three uncited references nevertheless cumulative with a reference cited during prosecution due to similar video codec filter arrangements).

Moreover, references cited in an IDS, even if not discussed during prosecution, are part of this analysis. In *Ecto World*, the Acting Director explained that relying on the same art presented in an IDS is sufficient to meet the first step in the *Advanced Bionics* framework. *See Ecto World, LLC, et al v. RAI Strategic Holdings, Inc.*, IPR2024-01280, Paper 13, at 4–6. The Acting Director also clarified that once this step is met, the burden is on Petitioner to demonstrate material error on the part of the Office. *Id.* If Petitioner has failed to demonstrate material error, “that would mean a denial of institution.” *Id.* at 6.

For example, Petitioner relies heavily on Ogata as a primary reference (Ground 7) and as a secondary reference (Grounds 2–3 and 5–6). Ogata has a very similar coil arrangement to Kono, which was a primary reference relied on in prosecution:

【図21】

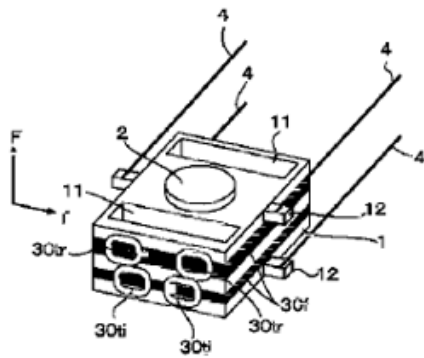


FIG. 21 of Kono

第 2 図

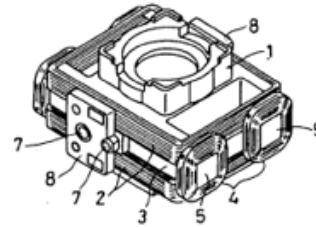


FIG. 2 of Ogata

In this way, Ogata is cumulative to Kono, and the first step of the *Advanced Bionics* framework is met.

The Examiner discussed Kono during prosecution and ultimately allowed the claims. The Examiner's allowance was not material error because Kono does not disclose the claimed coil and inner yoke features. Thus, Petitioner cannot carry its burden under the second step of the *Advanced Bionics* and *Ecto World* framework.

With respect to the Choi-Ogata combinations in Grounds 2–3 and 5–6, as explained below, Choi is cumulative to the prosecution reference Park. The Examiner could have (but declined to) assert a combination based on Park and Kono, likely because such a combination is not obvious just like the combination of Choi and Ogata in the Petition are not obvious. This renders the Choi-Ogata combinations cumulative to the art considered during prosecution.

In particular, prosecution reference Park has a similar coil arrangement to Petition reference Choi, rendering Choi cumulative. Park is just one of four patent documents cited on the front face of the '055 Patent. The Applicant cited Park in a May 12, 2005 Information Disclosure Statement (IDS) before the Examiner issued the first non-final Office Action.⁶ This IDS was signed by the Examiner, indicating the reference was considered.⁷ Park was not discussed during prosecution, likely because, like Choi, it does not disclose or suggest all claimed features. It is likely the Examiner substantively considered Park, however, given that it is just one of a few patent documents cited. This is in stark contrast to cases where the IDS contains an “extremely large number of references,” i.e., over 1,000, in which case, discretionary denial “may” not be warranted given the particular facts, though even then, discretionary denial is still a possibility. *See Ecto World, LLC, et al v. RAI Strategic Holdings, Inc.*, IPR2024-01280, Paper 13, at 2, 7. The IDS here, however,

⁶See Information Disclosure Statement dated May 12, 2005, available through Patent Center at

<https://patentcenter.uspto.gov/applications/10849190/ifw/docs?application=>.

⁷See List of References cited by applicant and considered by examiner, dated January 5, 2007.

only contained two documents, and there are only four documents total on the front face of the '055 Patent.

Petitioner argues Choi discloses the claimed coil features, but the Examiner declined to interpret Park and its similar coil arrangement in the way Petitioner now proposes interpreting Choi. Because Choi is substantially the same art as Park with respect to the claimed coil features focused on in prosecution, the first step in *Advanced Bionics* is met.

The Examiner's interpretation of allowing the claimed coil features over Park was not error, let alone a material error that would affect patentability. Park does not disclose the claimed coil features. The Petitioner, therefore, cannot show that it was material error for the Examiner to consider Park under *Advanced Bionics* and *Ecto World*, which warrants denial of institution.

Like Choi, Sugiyama's integrated side coil is similar to the single side coil in Park, which the Examiner never applied as a primary reference. This was not error.

Kabasawa also discloses a similar coil arrangement as Park with respect to the claimed coil features for which Petitioner relies on Kabasawa. The Examiner allowed independent claim 17 (originally claim 19) after the Applicant argued the references did not disclose features related to the pair of first coils. While Petitioner relies on Kabasawa's coils 7a and 7b, a similar coil arrangement was already before the Examiner in Park, which the Examiner allowed the claims over. It was not

material error for the Examiner to overlook Park, and Petitioner cannot show otherwise because both Park and Kabasawa share similar deficiencies with respect to the entirety of the claimed coil features.

Petitioner relies on Miura using a similar interpretation as Kabasawa. But, as explained above with respect to Kabasawa, a similar coil arrangement was already before the Examiner during prosecution in the reference Park, and the Examiner declined to find that Park disclosed this limitation. Moreover, Petitioner acknowledges that Miura's yoke arrangement is similar to Kono, which was considered during prosecution, as discussed above. The allowance of the claims was not material error, and Petitioner cannot show otherwise.

VI. CONCLUSION

The Director should deny institution of *inter partes* review under 35 U.S.C. § 314(a) and/or § 325(d). All six *Fintiv* factors weigh against institution, especially the advanced stage of the Parallel Litigation and the Parties' investment in that litigation, the scheduled trial date occurring months before the projected final written decision, and the forthcoming expiration date of the patent. These and other factors, such as the cumulative nature of Petitioner's prior art to that previously considered by the Examiner, and overcome during prosecution, raise serious concerns about duplicative proceedings, inefficiency, prejudice, and the risk of conflicting

outcomes. Considered together, they present a compelling case for the Acting Director to exercise her discretion and deny institution of this petition.

Date: June 17, 2025

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WORD COUNT CERTIFICATE

The undersigned certifies that the foregoing REQUEST FOR DISCRETIONARY DENIAL contains 7,050 words excluding those portions exempted by the rule, including 58 words in diagrams created or as annotations added by TS-Optics to images in this document. TS-Optics has relied on the word count feature of the word processing system used to create this paper in making this certification.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing REQUEST FOR DISCRETIONARY DENIAL was served on June 17, 2025 by filing this document through the P-TACTS platform as well as by delivering a copy via the delivery method indicated to the attorneys of record for the Petitioner as follows:

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