

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SUZHOU MOJAWA INTELLIGENT ELECTRONIC CO., LTD.,
Petitioner,

v.

SHENZHEN SHOKZ CO., LTD.,
Patent Owner.

U.S. Patent No. 11,197,084

Case No.: IPR2025-00842

PATENT OWNER'S BRIEF FOR DISCRETIONARY DENIAL

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EXHIBIT LIST

No.	Exhibit Description
Ex. 2001	Chinese patent no. CN107484054 (“Li ’054”), original
Ex. 2002	Chinese patent no. CN107484054 (“Li ’054”), certified translation
Ex. 2003	U.S. Patent Application Publication No. 2016/0329041A1 (“Qi”)
Ex. 2004	Declaration of Wei Yuan
Ex. 2005	<i>Shenzhen Shokz Co. Ltd. v. Shenzhen Wenming Tech. Co. Ltd. et al.</i> , Case No. 1:24-cv-06717 (N.D.Ill.), Opposition to Motion to Stay dated July 1, 2025
Ex. 2006	<i>Shenzhen Shokz Co. Ltd. v. Shenzhen Wenming Tech. Co. Ltd. et al.</i> , Case No. 1:24-cv-06717 (N.D.Ill.), Minute Order setting case deadlines dated March 13, 2025
Ex. 2007	Judge Pacold estimated trial schedule
Ex. 2008	<i>Shenzhen Shokz Co. Ltd. v. Shenzhen Wenming Tech. Co. Ltd. et al.</i> , Case No. 1:24-cv-06717 (N.D.Ill.), District Court case docket (accessed July 29, 2025)
Ex. 2009	September 20, 2024 Declaration of Wei Yuan Regarding Alternative Service
Ex. 2010	Mojawa Initial Invalidity Contentions cover pleading dated January 30, 2025
Ex. 2011	Comparison of text portions of EX1004 (Li ’492 certified translation) and EX2002 (Li ’054 certified translation)
Ex. 2012	Mojawa June 12, 2025 Final Unenforceability and Invalidity Contentions
Ex. 2013	Mojawa June 12, 2025 Final Unenforceability and Invalidity Contentions, Ex. B6 (AfterShokz AS800)
Ex. 2014	Mojawa June 12, 2025 Final Unenforceability and Invalidity Contentions, Ex. B7 (AfterShokz AS600)
Ex. 2015	U.S. District Court for the Northern District of Illinois Local Patent Rules, https://www.ilnd.uscourts.gov/_assets/_documents/_rules/localpatentrules-preamble.pdf , last accessed July 24, 2025
Ex. 2016	Petitioner Stipulation dated July 24, 2025
Ex. 2017	Patent Owner Stipulation regarding non-asserted claims dated Aug. 12 2025
Ex. 2018	File History of U.S. Patent No. 11,310,582 (the “’582 patent”)
Ex. 2019	U.S. Patent No. 11,310,582 (the “’582 patent”)

I. Introduction

Patent Owner, Shenzhen Shokz Co., Ltd., requests that the Board discretionarily deny Petitioner's Petition for *Inter Partes* Review of U.S. Patent No. 11,197,084 (the "'084 patent") for the reasons below.

First, the references relied on in the Petition are cumulative of art before the Examiner during prosecution. The Petition's primary reference, Li '492, is largely identical to another Li patent, Li '054, cited during prosecution. Moreover, during prosecution of the related U.S. Patent No. 11,310,582 (the "'582 patent"), the Examiner identified the same Li '054 art as the "closest prior art" and explained how it failed to render the claims obvious. Nevertheless, the Petition relies on the Li reference yet again to assert obviousness of claim limitations that were already determined to be distinguishable from the prior art. Therefore, considerations under 35 U.S.C. §325(d) strongly favor denial of the Petition.

Second, the significant overlap with the pending district court case and the *Fintiv* factors all together favor denial. Notably, due to Petitioner's eight and a half month delay before filing this IPR, the district court litigation will be nearly complete (and likely complete) before any written decision would issue in this IPR proceeding. Additionally, one claim asserted in the district court litigation is not even challenged in this IPR. As a result, the district court will evaluate many of the same validity questions raised here regardless of the Board's institution decision.

Compounding these issues, the Petition is significantly flawed, fails to show how its cited prior art teaches key claim elements, and resorts to vague assertions based on a smattering of references that purportedly show the “knowledge of a POSITA” to fill significant substantive gaps in the prior art. Therefore, the totality of circumstances strongly favor discretionary denial of the Petition.

II. The Petition Should be Denied Under 35 U.S.C. § 325(d)

A. File History

The Examiner allowed the claims on the first action. The Examiner gave the following statement of reasons for allowance:

The prior art of record does not disclose a hook for a speaker apparatus having two plugs one being connected to transducers and one to circuitry, meanwhile the hook being surrounded by a waterproof sleeve covering hook and with an earphone housing elastically abutting against the protective cover. Prior art of record [s]uch as Kim (10306351) although disclosing a plugs for a speaker apparatus (Fig 2) they are missing a waterproof sleeves for the hooks with earphone core housing abutting against the hooks.

EX1002, 13.¹

¹ Petitioner has made an unopposed request to file a corrected version of the first part of EX1002, the file history of the '084 Patent. This brief accordingly cites to the corrected exhibit.

1. Li reference used in the petition is substantially identical to Li reference cited during prosecution

The Petition asserts (at 7) that its primary reference, CN107454992 (“Li ’492”) was not considered by the patent examiner during prosecution without addressing whether similar art was cited during prosecution. However, a strikingly similar reference, CN107484054 to Li et al. (“Li ’054”) is cited on the face of the ’084 Patent. EX1001, 2. Applicants cited Li ’054 in an Information Disclosure Statement on March 30, 2021 (EX1002, 34) which the Examiner acknowledged considering on October 18, 2021. EX1002, 26.

Critically, the description (paragraphs [0006]-[0081]) and figures of Li ’054 *are substantially identical* to the Li ’492 reference that the Petition relies on as its primary reference. EX2004, ¶¶2-4; EX2011 (comparison of text portions of EX1004, EX2002).

2. Li ’054 reference discussed during prosecution of related ’582 Patent

In addition to being cited in an IDS considered by the Examiner during prosecution of the ’084 Patent, the Li ’054 reference, which contains a substantially identical description and figures to the Petition’s Li ’492 reference, was also explicitly discussed during the prosecution of the related ’582 Patent (EX2019). The ’582 Patent and ’084 Patent are related because they share a common Chinese priority application, CN201910009927.4. The ’582 Patent is also the subject of a

compending petition for IPR by Petitioner, IPR2025-00843, although the Petition does not note this related proceeding in its mandatory disclosures under 37 C.F.R. §42.8(b)(2).

During the prosecution of the '582 Patent, the Examiner explained in the January 4, 2022 Notice of Allowability that the “closest prior art of record” was Chinese patent no. CN107484054 to Li et al. (“Li '054”). EX2018, 46-47; Exs. 2001, 2002. Not only Applicants had submitted the original and a translation of Li '054 during prosecution (EX2018, 141-160, 163, 207-221), the Examiner herself had uncovered and cited this reference (Ex.2018 at 46 (January 4, 2022 Notice of Allowability), 49, 134-135 (December 6, 2021 Office Action), 137, as evident from the second page of the '582 patent which designates the Li '054 reference with an asterisk. EX2019 at 2.

The Examiner explained that Li '054 did not teach the limitations of independent claim 1 including, *inter alia*, “the core housing being fixed to the first plug end and elastically abutted against the protective sleeve.” EX2018, 46-47.

3. Similar claim elements appear in the independent claims of the '582 Patent and '084 Patent

As shown below, a number of similar or identical claim elements appear in both claim 1 of the '582 Patent and claim 1 of the '084 Patent, which are the sole independent claims of their respective patents.

'582 Patent Claim 1	'084 Patent Claim 1
[1pre] A loudspeaker apparatus, comprising: [1a] an ear hook including a first plug end and a second plug end, [1b] the ear hook being surrounded by a protective sleeve, the protective sleeve being made of an elastic waterproof material; [1c] a core housing for accommodating an earphone core, the core housing being fixed to the first plug end and elastically abutted against the protective sleeve, wherein [1d] the core housing including a housing panel facing human body and a housing back panel opposite to the housing panel, and [1e] the vibration of the earphone core drives the housing panel and the housing back panel to vibrate, the vibration of the housing panel having a first phase, the vibration of the housing back panel having a second phase, wherein when the vibration frequencies of the housing panel and the housing back panel is within a range of 2000 Hz to 3000 Hz, an absolute value of a difference between the first phase and the second phase is less than 60 degrees; and [1f] a circuit housing for accommodating a control circuit or a	[1pre] A loudspeaker apparatus, comprising: [1a] an ear hook including a first plug end and a second plug end, [1b] the ear hook being surrounded by a protective sleeve, the protective sleeve being made of an elastic waterproof material; [1c] a core housing for accommodating an earphone core, the core housing being fixed to the first plug end and elastically abutted against the protective sleeve; and [1d] a circuit housing for accommodating a control circuit or a

battery, the circuit housing being fixed to the second plug end, the control circuit or the battery driving the earphone core to vibrate to generate a sound.	battery, the circuit housing being fixed to the second plug end, the control circuit or the battery driving the earphone core to vibrate, the vibration of the earphone core generating a driving force to drive a housing panel of the core housing to vibrate, the driving force being not parallel to a normal line of the housing panel.
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The above comparison shows the similarities between the two claims, which were thoroughly examined by the Patent Office and were allowed in view of the examiner's knowledge and consideration of the Li reference during the original prosecution. Importantly, in the above table, limitations [1b], relating to the protective sleeve surrounding the "ear hook," and [1c], related to the "first plug end," have been highlighted: [1b] **"the ear hook being surrounded by a protective sleeve, the protective sleeve being made out of an elastic waterproof material,"** [1c] **"a core housing for accommodating an earphone core, the core housing being fixed to the first plug end and elastically abutted against the protective sleeve."** These limitations are identically recited in claim 1 of each of the '582 and '084 patents.

The Petition, in asserting that limitation [1c] is obvious, relies primarily on Li '492, with specific citations to the detailed description of Li '492. Petition, 32-35. But

the Patent Office had already examined this limitation in view of the teachings of the Li '054 reference (with identical detailed description and figures as Li '492), and had determined that this reference does NOT teach or suggest limitation [1c]. EX2018, 46-47.

Similarly, regarding element [1b] ("the ear hook being surrounded by a protective sleeve, the protective sleeve being made of an elastic waterproof material"), the examiner in the '084 patent already conducted a thorough examination in view of Li '054, Kim and other references of record, and explained in the Notice of Allowability that none of those references taught or suggested the waterproofing features of element [1b] related to the two plugs. EX1002, 13. Notwithstanding the above, Petitioner still relies on Li '492 to assert that element [1b] is obvious, citing only to the detailed description of Li '492. Petition, 30-32.

Petitioner's re-use of the Li reference in the Petition is clearly duplicative and cumulative over the existing examination record.

B. The Board's discretionary analysis may consider whether the same or substantially the same prior art was previously presented to the Office in a related application

Li '054 was cited during the prosecution of both the '084 Patent and the related '582 Patent. The Board's discretionary analysis may consider both file histories with respect to discretionary denial of IPR of the '084 Patent.

35 U.S.C. §325(d) states: “Notwithstanding sections 135(a), 251, and 252, and chapter 30, during the pendency of any post-grant review under this chapter, if another proceeding or matter *involving the patent* is before the Office, the Director may determine the manner in which the post-grant review or other proceeding or matter may proceed, including providing for the stay, transfer, consolidation, or termination of any such matter or proceeding. In determining whether to institute or order a proceeding under this chapter, chapter 30, or chapter 31, *the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.*”

The plain language of §325(d) does not limit the Board's discretionary analysis to “prior art or arguments previously... presented to the Office” in the prosecution of the same patent. While the first sentence of §325(d) uses the phrase “another proceeding or matter *involving the patent*” when referring to the Director's discretion to determine the manner for handling such co-pending proceedings, the second sentence does not. Therefore, §325(d)'s grant of discretion to consider whether “the same or substantially the same prior art or arguments previously *were presented to the Office*” is not limited to proceedings involving the same patent.

The Office has accordingly considered prior art presented in related applications in its analysis under §325(d). *See, e.g. ZTE (USA) Inc. v. Fractus, S.A.,*

IPR2018-01457, Paper 20 at 5 (Oct. 4, 2019) (“Consideration of the asserted prior art by the Office during previous examination of the patent at issue or closely related patents is, therefore, a relevant consideration under Section 325(d)”); *Johnson & Johnson Surgical Vision, Inc. v. Alcon, Inc.*, No. IPR2021-00899, 2021 WL 6339621, at *9 (P.T.A.B. Nov. 9, 2021) (denying institution under §325(d) based on art cited during prosecution of parent application).

Moreover, regardless of whether §325(d) explicitly authorizes the Board to consider art analyzed in related applications, there is no bar to the Office considering such analysis in its exercise of discretion under §314(a). The Office is “permitted, but never compelled, to institute an IPR Proceeding.” *T-Mobile USA, Inc. et al. v. Wireless Alliance, LLC*, IPR2024-00608, Paper 16 at 2 (Sep. 3, 2024), quoting *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016). Nothing in §314(a) prohibits the Office from considering, in its exercise of discretion, whether its time or resources should be spent instituting an IPR proceeding where two Examiners have already explicitly analyzed a nearly identical reference and found common elements not to be taught or suggested, even if one of those Examiners analyzed the issue in the context of a related patent.

C. Discretionary Factors Under 35 U.S.C. § 325(d) Strongly Favor Denial

The Board may exercise its discretion in denying institution when the same or

substantially the same prior art or arguments previously were presented to the Patent Office. *Becton, Dickinson & Co. v. B. Braun Melsungen AG* (“*Becton*”), IPR2017-01586, Paper 8 at 17–18 (P.T.A.B. Dec. 15, 2017) (precedential as to Section III.C.5, first paragraph). The *Becton* case sets forth six factors to weigh when considering discretionary denial, which are: (a) the similarities and material differences between the asserted art and the prior art involved during examination; (b) the cumulative nature of the asserted art and the prior art evaluated during examination; (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection; (d) the extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art; (e) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and (f) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments. *Id.*

Becton, Dickinson factors (a), (b), and (d) relate to whether “the same or substantially the same art or arguments previously were presented to the Office,” while factors (c), (e), and (f) relate to “whether the petitioner has demonstrated a material error by the Office.” *Advanced Bionics, LLC, v. Med-El Elektromedizinische Gerate GMBH*, IPR2019-01469, Paper 6 at 10 (P.T.A.B. Feb. 13, 2020) (precedential) (“*Advanced Bionics*”). Accordingly, the analysis may also

be described as a two-step analysis under *Advanced Bionics*, in which “whether the same or substantially the same art of arguments previously were presented to the Office” is the first prong and “whether the petitioner has demonstrated a material error by the Office” is the second.

Here, the majority, if not all, of the *Becton, Dickinson* factors weigh in favor of denying the Petition.

1. Factor (a): Similarities and material differences between the asserted art and the prior art involved during examination

This factor strongly favors Patent Owner because Li '054, which was cited during prosecution of both the '084 Patent and the '582 Patent and discussed as the “closest prior art” in the Notice of Allowability in the '582 Patent, shares a substantially identical detailed description and figures to the Li '492 reference that the Petition relies on as its primary reference. EX1002, 46-47; EX2004, ¶¶2-4; EX2011. Notably, as EX2011 illustrates, the two references have identical disclosures starting on page 7 (Description of Figures) to the end of the document on page 17, and describe identical specific embodiments related to identical figures. EX2011, [0006]-[0081] (pp .7-17); *compare* EX2001, Figs. 1-17 with EX1004, Figs. 1-17. Nearly all of the Petition's citations to Li '492 are directed to its detailed description, rather than the claims, so there are no material differences between Li '492 and Li '054 with respect to the portions that the Petition relies on. In particular,

as to the “ear hook” element 1[b] and the “first plug end” element 1[c], which the Examiners found missing during the prosecution of the '084 Patent and the '582 Patent, respectively, all of the disclosures cited by the Petition (at 30-35) are substantially identical to the corresponding figures and paragraphs in Li '054.

2. Factor (b): The cumulative nature of the asserted art and the prior art evaluated during examination.

This factor strongly weighs in favor of discretionary denial because Li '492 and Li '054 share identical detailed descriptions and figures, and therefore Li '492 is cumulative with Li '054. Although the Petition additionally cites Fujita as part of its combination, the Petition relies entirely on Li '492 for the “ear hook” element [1b] and the “first plug end” element [1c] rather than Fujita. Petition at 30-35. Therefore, the Petition relies on entirely cumulative and redundant teachings for elements [1b] and [1c] based on art that was already considered by the Office.

3. Factor (c): The extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection

This factor weighs in favor of discretionary denial whether the '084 Patent's file history is considered in isolation or further in view of the file history of the related '582 Patent.

Even the file history of the '084 Patent alone shows that Li '054 was considered. Although the Examiner in the '084 Patent did not explicitly discuss Li '054, the Examiner still indicated that Li '054 was considered. EX1002, 26.

“Previously presented art includes... art provided by the office by an applicant, such as on an Information Disclosure Statement (IDS), in the prosecution history of the challenged patent.” *Advanced Bionics*, at 7-8; *see also Ecto World, LLC et al. v. Rai Strategic Holdings, Inc.*, IPR2024-01280, Paper 13 at 5 (P.T.A.B. May 19, 2025) (§325(d) analysis applies “even when the asserted prior art is on an IDS, but the Examiner did not apply the reference”). Here, Li '054 was cited and considered in the prosecution of the '084 Patent, and was not “buried” in an excessive volume of prior art.

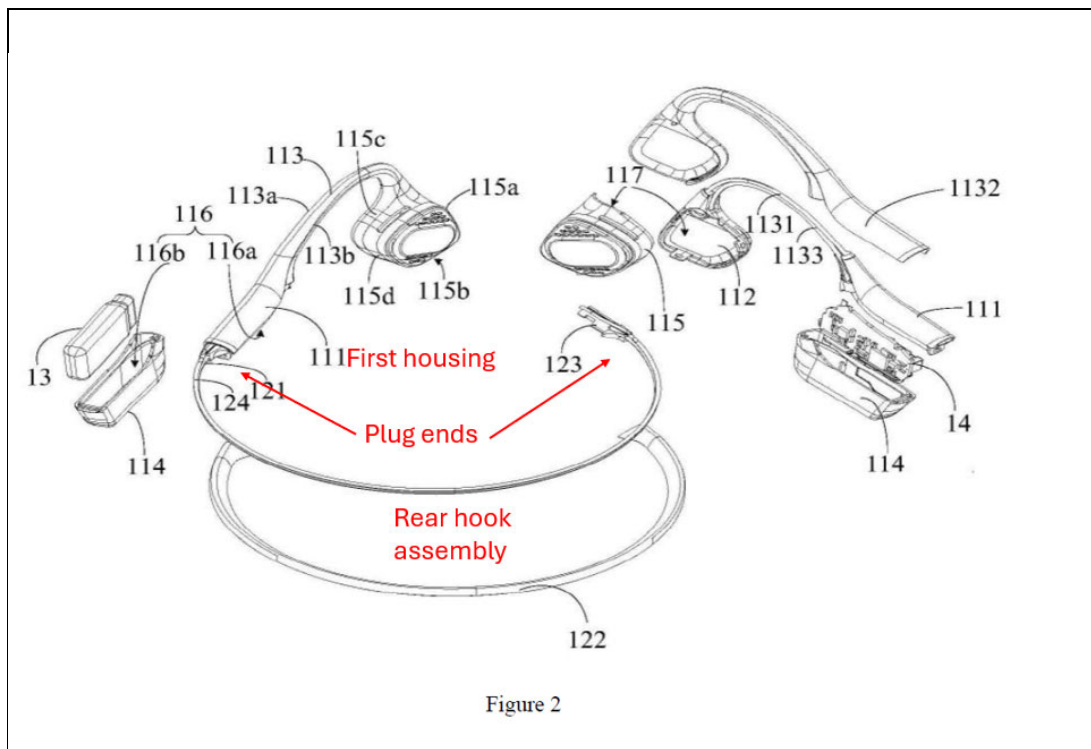
This factor weighs even more strongly in favor of discretionary denial when the Patent Office's examination of this patent family, and particularly the file history of the '582 Patent is considered. During prosecution of the related '582 Patent, the Examiner herself had cited the Li '054 reference, had explicitly considered Li '054 in the Notice of Allowability as the closest prior art of record and explained that Li '054 did not teach certain elements, including the “first plug end” element [1c] for which the Petition relies on the identical Li '492 for the identical element [1c] in the '084 Patent. EX2018, 46-47. Although Li '054 was not the basis of a rejection, that was only because the Examiner explicitly considered it and found that a rejection was not warranted based on specific elements missing from Li '054, including the “first plug end” element.

4. Factor (d): The extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art

This factor favors denial. During the prosecution of the '084 Patent itself, after considering Li '054, the Examiner cited the absence of “a hook... having to plugs one being connected to transducers and one to circuitry, meanwhile the hook being surrounded by a waterproof sleeve covering hook and with an earphone housing elastically abutting against the protective cover” as a reason for allowance. The connecting element 113 in Li '054 is clear from the figures and the disclosure; it is not a minute detail buried in the reference. It is reasonable to expect that the Examiner's review of Li '054 during prosecution of the '084 Patent would have indicated this element. The Petition now relies on identical teachings in Li '492 for the same element. The manner in which Patent Owner distinguishes the prior art also favors denial, because this brief shows in §III(F)(1) below that Li '492 fails to teach or suggest the same elements found lacking in prosecution.

This factor favors denial even more strongly when considering the file history of the '582 Patent. The Examiner in that case explicitly discussed Li '054 with respect to the “plug ends” features, and found that it did not teach one of the claim elements (element [1c]) for which the Petition now relies on the substantially identical disclosure of Li '492 for the identical claim element of the '084 Patent.

The Examiner's analysis suggests that the Examiner was focused on the same features of Li '054 that the Petition now relies on in Li '492. The Examiner's discussion of Li '054 explicitly references "plug ends." The only "plug ends" in Li '054 are plug ends 123 on the end of a "rear hook assembly" 12. EX2002, Figs. 2, 9 (annotated below):





The Petition relies on the plug ends in Li '492's Figs. 2 and 9, which are identical to the Figs. 2 and 9 in Li '054. Petition at 25, 32-34, citing EX1004, Figs. 2, 9; compare to EX2002, Figs. 2, 9. Therefore, the Examiner in the case of the '582 Patent considered the exact same teachings that the Petition relies on for this element, which is identical to an element cited as reason for allowance of the '582 Patent. In fact, the Petition in this case relies on Li for all but one element of claim 1 (element [1d]) of the '084 Patent.

A single element missing from the prior art of record is sufficient for allowance during prosecution or for denial of an IPR. While the Petition in this case relies partly on an additional reference (Fujita) for one other element (identified by Petitioner as element [1d]), that does not change the fact that for elements [1b] and [1c], two separate examiners have already considered identical art with and found these elements to be missing. The Petition's reliance on cumulative art for these elements alone is sufficient reason to avoid wasting the Board's resources on this Petition.

5. Factor (e): whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art

6. Factor (f): the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments

Patent Owner discusses factors (e) and (f) together. Both factors strongly weigh in favor of discretionary denial because the Petition does not even acknowledge the citation of Li '054 during prosecution of the '084 Patent, nor the Examiner's reasons for allowance of the '084 Patent, nor the Examiner's discussion of Li '054 during prosecution of the '582 Patent. Therefore, the Petition does not show how the Examiner erred in evaluating the prior art or show how additional evidence and facts presented in the Petition warrant reconsideration.

III. The *Fintiv* Factors Favor Denial

The Board considers six factors when exercising its discretion to deny an *inter partes* review in view of a parallel proceeding. *Apple v. Fintiv*, IPR2020-00019, Paper 11 (P.T.A.B. Mar. 20, 2020) (precedential). Those factors are: (1) whether the district court granted a stay or evidence exists that one may be granted if a proceeding is instituted; (2) proximity of the court's trial date to the Board's projected statutory deadline for a final written decision; (3) investment in the parallel proceeding by the district court and the parties; (4) overlap between issues raised in the petition and in the parallel proceeding; (5) whether the petitioner and the defendant in the parallel proceeding are the same party; and (6) other circumstances that impact the Board's exercise of discretion, including the merits. *Id.*

Here, there is a parallel district court proceeding pending in the United States District Court for the Northern District of Illinois between Shenzhen Shokz Co. Ltd. and Petitioner Suzhou Mojawa Intelligent Electronic Co. Ltd. The case is *Shenzhen Shokz Co. Ltd. v. Shenzhen Wenming Tech. Co. Ltd. et al.*, 1:24-CV-06717, and has been assigned to District Court Judge, Jorge L. Alonso. Before filing its Petition regarding the '084 Patent, Petitioner also filed a Petition for IPR of the other patent asserted in that case, U.S. Patent No. 11,310,582, IPR2025-00843.

As discussed below, the *Fintiv* factors weigh in favor of the Board denying institution in view of the district court proceeding.

A. The Chance of a Stay in the District Court Proceeding is Uncertain at Best.

Petitioner has sought a stay in the district court proceeding, and to date, the district court has not issued a decision. While Judge Alonso has not previously ruled on any contested motions to stay pending IPR (Ex. 2004, ¶6), Patent Owner has opposed the motion to stay (EX2005), which significantly reduces the likelihood of a stay. As noted in Patent Owner's opposition to that motion, courts in the Northern District of Illinois frequently deny motions to stay brought prior to institution of IPRs. EX2005, 5-6; *see, e.g. Ellenby Techs., Inc. v. Fireking Sec. Grp.*, 533 F. Supp. 3d 656, 664 (N.D. Ill. 2021) ("The Court's review of the body of available federal decisions on motions for pre-institution stays suggests that the weight of authority favors denying them without prejudice during the time frame before the PTAB's decision on IPR"); *Riddell, Inc. v. Kranos Corp.*, No. 16 C 4496, 2017 WL 959019, at *1 (N.D. Ill. Mar. 12, 2017) (noting previous denial of motion to stay as premature prior to institution of IPR); *Baxter International, Inc. v. CareFusion Corporation et al*, 2016 WL 11739878, at *2 (N.D. Ill. Sep. 6, 2016) ("It is an overstatement to say that the IPRs will simplify the case because the Board could opt against instituting IPR.").

Petitioner's stay motion cited the minority of cases where courts issued pre-institution stays of litigation less advanced than the district court proceeding. There

is no case cited in Petitioner's motion in which the motion to stay was filed on or after the day in which final infringement and invalidity contentions were served. In this case, Petitioner filed its motion to stay on the same day that the parties exchanged final infringement and invalidity contentions. While Petitioner might renew a motion if the Board institutes review, by the time of the projected institution decisions in this IPR and the related IPR2025-00843 (*see* EX2006 and timeline in §III(B), below) the District Court will be mere days from issuing a claim construction ruling and just over a month from the close of fact discovery, less the time taken by Petitioner to prepare a renewed stay motion. A stay at such an even more advanced stage of the case is unlikely. *See, e.g. Riddell*, 2017 WL 959019, at *1. Of course, the even more advanced state of the case by time of an institution decision is also a consequence of Petitioner waiting eight and a half months after being served with the Complaint to file the IPR Petition, as discussed further in §III(C) below.

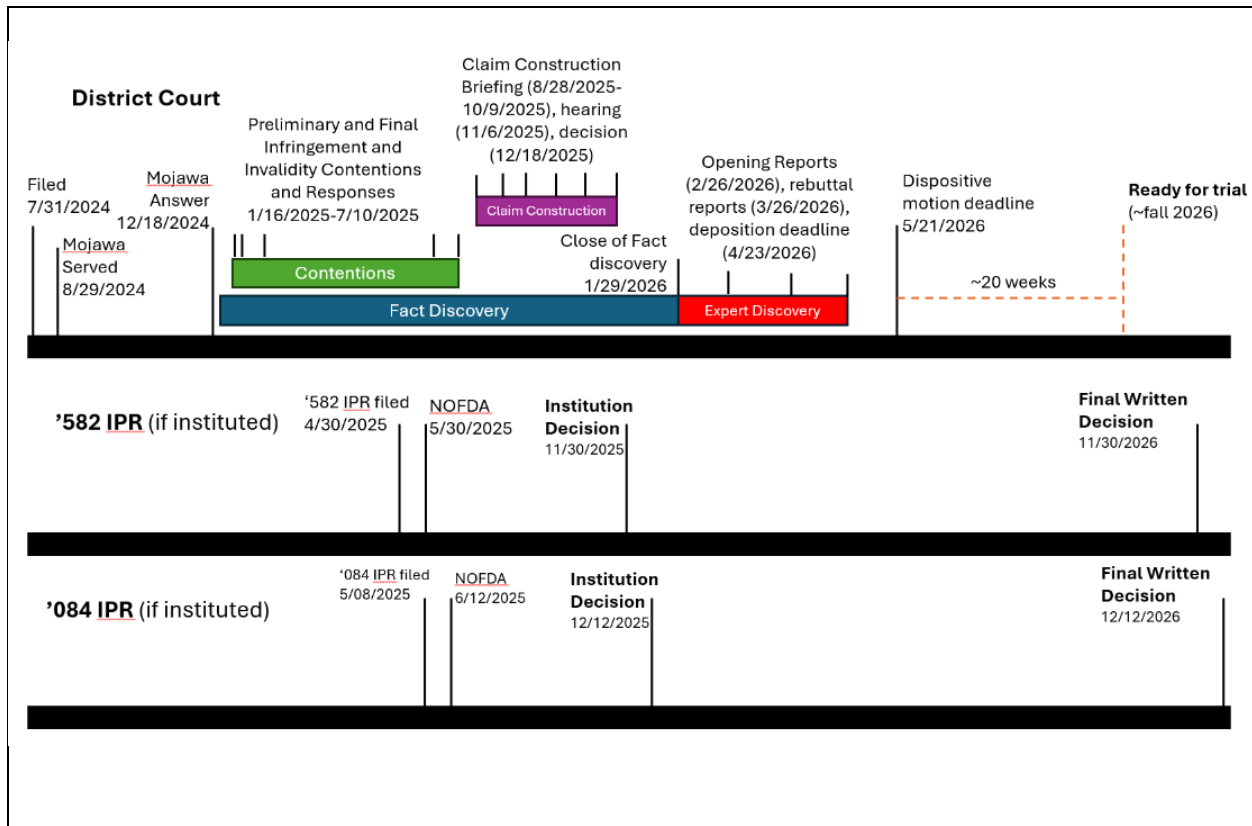
Patent Owner acknowledges that the discretionary nature of stay decisions for district court judges can inherently result in widely varying results, even under similar circumstances in the same jurisdictions. That variation does mean, however, that any arguments that Petitioner may make that a stay is *likely* are at best unfounded. Therefore, this factor likely favors Patent Owner or is at most neutral.

B. The District Court Trial will Occur Around the Same Time as the Final Written Decision.

When the district court's trial date is earlier than the expected statutory deadline for Board's final written decision, "the Board generally has weighed this fact in favor of exercising authority to deny institution." *Fintiv*, IPR2020-00019, Paper 11 at 9. Here, the Institution Decision will be issued by December 12, 2025, and the Final Written Decision (FWD) by December 12, 2026. Although the District Court's scheduling order (EX2006) has not yet set a trial date, the deadline for filing of dispositive motions is May 21, 2026. Given that this date is more than six months before the final written decision's date, it is reasonable to expect that Judge Alonso will rule on those dispositive motions and set trial either before or shortly after the FWD deadline.²

² For example, although Judge Alonso has not published such a schedule, another judge in the same district has indicated that the estimated time a patent case is ready for trial is 20 weeks following dispositive motions, which would be approximately early October 2026 in this case. EX2007, <https://www.ilnd.uscourts.gov/assets/documents/forms/judges/Pacold/Estimated%20Patent%20Schedule.pdf>.

Regardless of whether the trial itself would occur before the FWD, essentially all of the effort and resources required to litigate validity in district court will be spent before the FWD dates for both challenged patents involved in the district court litigation, as illustrated in the below diagram. *Id.*



As illustrated above, before FWDs would issue in either IPR proceeding, all pretrial activities in the district court case, including claim construction, fact discovery, expert discovery, and dispositive motions would be complete, with the parties only awaiting the trial itself. Indeed, the claim construction process will be nearly complete even prior to the institution decision, awaiting only a final ruling

due just weeks after the institution decision. As such, the IPR proceeding would provide little simplification to the district court case, and not only would the two (or three) proceedings continue at the same time, but the parties would also be likely litigating duplicative and overlapping issues in parallel, consuming unnecessary resources for both the parties, the district court, and the Board.

Petitioner may rely on average or median time to trial statistics to argue that the trial will occur after the FWD. However, average or median time to trial statistics are less relevant than the actual schedule for the companion district court case setting all but the actual trial date. And, there are no situations in connection with the case that would merit the district court setting the trial date significantly after the time it is expected to be ready for trial.

Because nearly all litigation work in the district court proceeding would be complete before issuance of the final written decisions, with the trial either before or shortly after, this factor favors discretionary denial.

C. The Parties and the Court have Invested Substantial Resources in the District Court Case.

1. Progression of the district court case

The district court proceeding was filed on July 31, 2024 and served on Petitioner on August 29, 2024. EX2008, EX2009. Since that time, the parties have

invested substantial resources in the case. For example, the following milestones have already passed:

- Patent Owner served its initial infringement contentions (totaling 184 pages) on January 16, 2025;
- Petitioner served its initial invalidity and non-infringement contentions (totaling 567 pages) on January 30, 2025;
- Patent Owner served its initial response to invalidity contentions (totaling 738 pages) on February 13, 2025;
- Patent Owner served final infringement contentions (totaling 376 pages) and Petitioner served final invalidity contentions (totaling 954 pages) on June 12, 2025 and responses (1111 pages of infringement responses and 39 pages of invalidity responses) on July 10, 2025; and
- The parties exchanged preliminary terms for construction and proposed constructions on July 24, 2025.

See EX2004, ¶5. Further, by the November 30, 2025 institution deadline, the parties will have fully briefed and argued their claim construction positions, with the *Markman* hearing set for November 6, 2025. EX2006.

2. Petitioner's unexplained delay in filing its Petition

While the District Court Proceeding progressed, Petitioner delayed bringing this Petition for more than eight and a half months after being served with the

complaint. Petitioner's delay cannot be explained as anything other than lack of diligence. Petitioner's delay cannot be explained by waiting for Shokz to identify the asserted claims: the Petition challenges all but one claim of the '084 Patent, yet the one claim that the Petition does *not* challenge *is* an asserted claim in the district court proceeding. Moreover, Petitioner still did not file its Petition for another four months after receiving Shokz' initial infringement contentions identifying asserted claims, and three and a half months after Petitioner served its own initial invalidity contentions (which included Li '492). EX2010 at 9.

Nor can the delay be explained away by searching for the prior art used in the Petition. It doesn't take eight and a half months to find one reference identical to the "closest prior art" in the file history of a related, also asserted patent, which reference is also assigned to Patent Owner. "If [] the evidence shows that the petitioner did not file the petition expeditiously... or even if the petitioner cannot explain the delay in filing its petition, these facts have favored denial." *Fintiv*, IPR2020-00019, Paper 11 at 11-12 (P.T.A.B. March 20, 2020); *see also NextCaller, Inc. v. TrustID, Inc.*, IPR2019-00961, Paper 10 at 16 (P.T.A.B. Oct. 16, 2019) (unexplained delay when Petitioner "was or at the very least should have been aware of the asserted prior art well before the filing of [the] Petition" supported denial).

Thus, due to Petitioner's delay in filing the Petition, the District Court case is already well beyond the very early stages of litigation, and it will be even further along by the institution decision deadline. This factor favors discretionary denial.

D. There is Substantial Overlap Between the Issues Raised in the Petition and the Parallel District Court Proceeding, but the Petition would not Eliminate Duplicative Efforts.

Most of the claims challenged in the Petition, including the sole independent claim, are also at issue in the district court proceeding. EX2004, ¶8. Additionally, Petitioner asserts the same primary reference that the Petition relies on, Li '492, in its invalidity contentions in the district court proceeding. EX2010 at 9. Indeed, Li and Liao are the *only* patent or publication references which Petitioner charted for certain elements of the independent claims of the '582 Patent. EX2004, ¶7.

1. The Petition does not challenge all claims asserted in the district court proceeding

As noted previously, one claim of the '084 Patent asserted in the district court proceeding (claim 11) is not challenged in this IPR. EX2004, ¶8. Therefore, regardless of the IPR's status, the validity of claim 11 will still need to be litigated. Petitioner's invalidity assertions for this claim rely in part on the same art that it asserts in the IPR. EX2012, 20. Because claim 11 is a dependent claim, that means that the same invalidity disputes at issue in the IPR would be part of such the district court trial regardless of the status or outcome of the IPR. *See ParkerVision, Inc. v.*

Qualcomm Inc., 116 F.4th 1345, 1362 (Fed. Cir. 2024) (IPR invalidity finding does not result in collateral estoppel for claims not held invalid).

2. Petitioner has not foreclosed the possibility of relying on related system prior art

If the IPR is instituted, substantial overlapping issues will still remain for yet another reason. In the district court proceeding, Petitioner's Final Invalidity Contentions rely on two prior art devices, i.e., Shokz (formerly known as AfterShokz) AS800 and AS600 headsets, which allegedly anticipate some of the claims of the '582 Patent. EX2012, 20-21; EX2013, EX2014.³ While Petitioner has filed a *Sotera* stipulation, Petitioner's proposed stipulation is limited to "system art corresponding (*i.e.*, materially identical) to a reference describing that same system art asserted as part of a specific ground raised in the IPR." EX2016. Therefore, Petitioner's stipulation leaves an opening to argue that the system art that it asserts in the district court is not "materially identical" to its IPR patent references, and thus to take a second bite at the apple with respect to invalidity.

³ Petitioner was required by the Local Patent Rules applicable to the district court proceeding to identify its *final* asserted invalidity grounds under §102 or §103 in these contentions. EX2006; EX2015 at 10 (L.P.R. 3.1(b)).

Petitioner could have simply stipulated that it will not raise *any* system art in the district court proceeding. The only apparent reason for Petitioner to submit its narrowly worded stipulation is to retain the two Shokz headsets in its Final Invalidity contentions. In effect, the stipulation's language about prior art systems has no actual impact on the system art asserted in Petitioner's final contentions.

This results in duplicative invalidity analysis in the district court and IPR proceedings, given that both the system art and the prior art publications describe Shokz's own technology, and therefore favors discretionary denial. *See SAP America, Inc. v. Cyandia, Inc.*, IPR2024-01432, Paper 14 at 9-10 (P.T.A.B. April 7, 2025) (discretionary denial where Petitioner asserted related system art in related litigation).

While there are claims challenged in the IPR that are not asserted in the District Court litigation (i.e., claims 2-6, and 16-20), those claims do not diminish the concerns of duplicative efforts discussed above. Patent Owner stipulates that if the Director or the Board denies institution of IPR of the '084 Patent, Patent Owner will not assert infringement of claims 2-6, or 16-20 of the '084 Patent against Petitioner. EX2017. *See Samsung Elecs. Co. Ltd. v. Mojo Mobility Inc.*, IPR2023-01094, Paper 11 at 11 (P.T.A.B. February 9, 2024) ("Here, Patent Owner has stipulated not to assert infringement of any [claims] challenged in the Petition that

have been or will be dropped from the [] Litigation... This diminishes the significance of the non-overlapping claims.”).

E. Petitioner and the Defendant in the Parallel District Court Proceeding are the Same Party.

Where the petitioner and the defendant in the parallel proceedings are the same party, this factor favors denial. *See Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (P.T.A.B. Dec. 1, 2020) (precedential as to §II.A); *see also Comcast Cable Communications, LLC v. Touchstream Technologies, Inc.*, IPR2024-00324, Paper 13 at 15 (P.T.A.B. July 24, 2024). Here, Petitioner is a defendant in the District Court Proceeding. Thus, this factor weighs in favor of discretionary denial.

F. The Petition Fails to Present a Compelling Case of Invalidity

While it is Petitioner's burden to show a reasonable likelihood of prevailing on the invalidity of at least one challenged claim in order for the Board to institute an IPR the merits regardless of any discretionary issues, the Board may also consider the strength of the case made in the Petition when it decides discretionary issues. “[I]f the merits of the grounds raised in the petition are a closer call, then that fact has favored denying institution when other factors favoring denial are present.” *Fintiv* at 15, citing *E-One, Inc. v. Oshkosh Corp.*, IPR2019-00162, Paper 16 at 8, 13, 20 (P.T.A.B. June 5, 2019) (considering weakness on the merits with respect to

discretionary denial); *see also AT&T Servs. Inc. et al v. Asus Tech. Licensing Inc.*, IPR2024-00997, Paper 15 at 19 (P.T.A.B. December 16, 2023) (“The resolution of Petitioner’s ground thus involves the weighing of expert testimony and is not plainly apparent on the preliminary record. Thus, Petitioner has not presented a compelling meritorious challenge”).

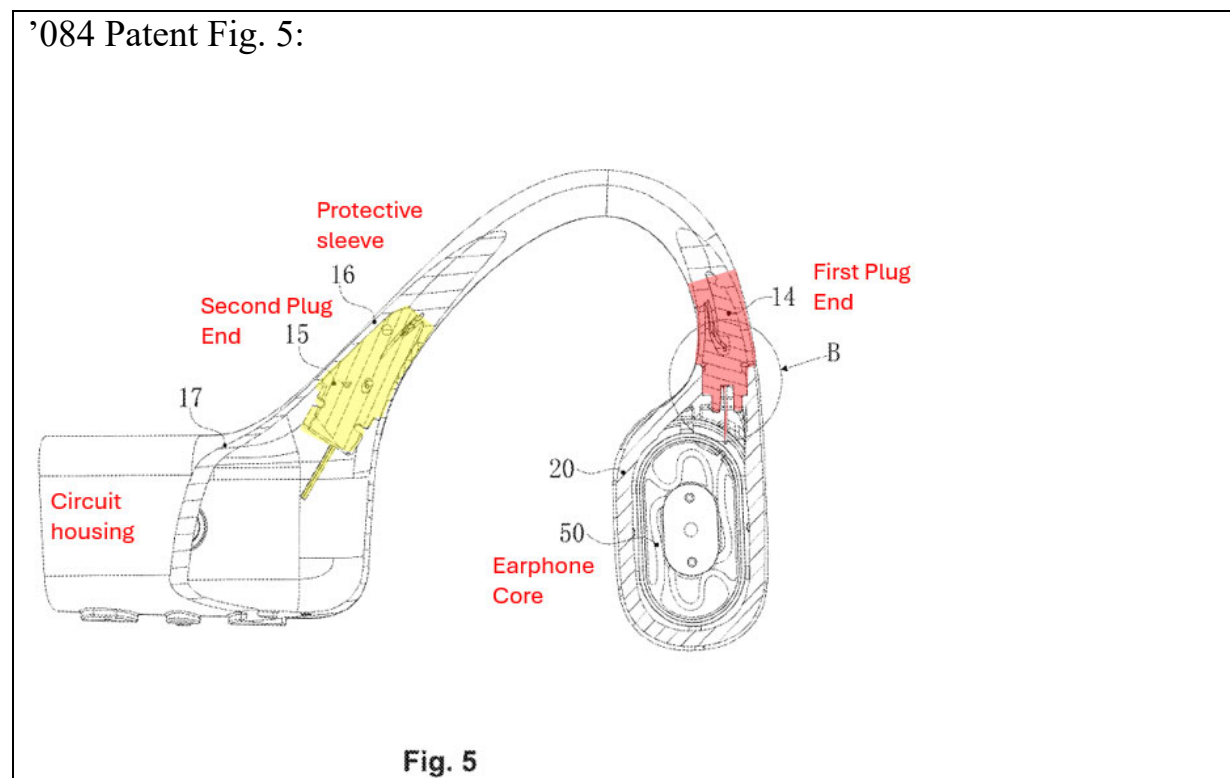
Here, significant weaknesses in the Petition weigh heavily in favor of denial. Patent Owner will detail these substantive shortcomings in the forthcoming Patent Owner Preliminary Response, but a few highlights are presented below, given that they are also relevant to discretionary denial.⁴

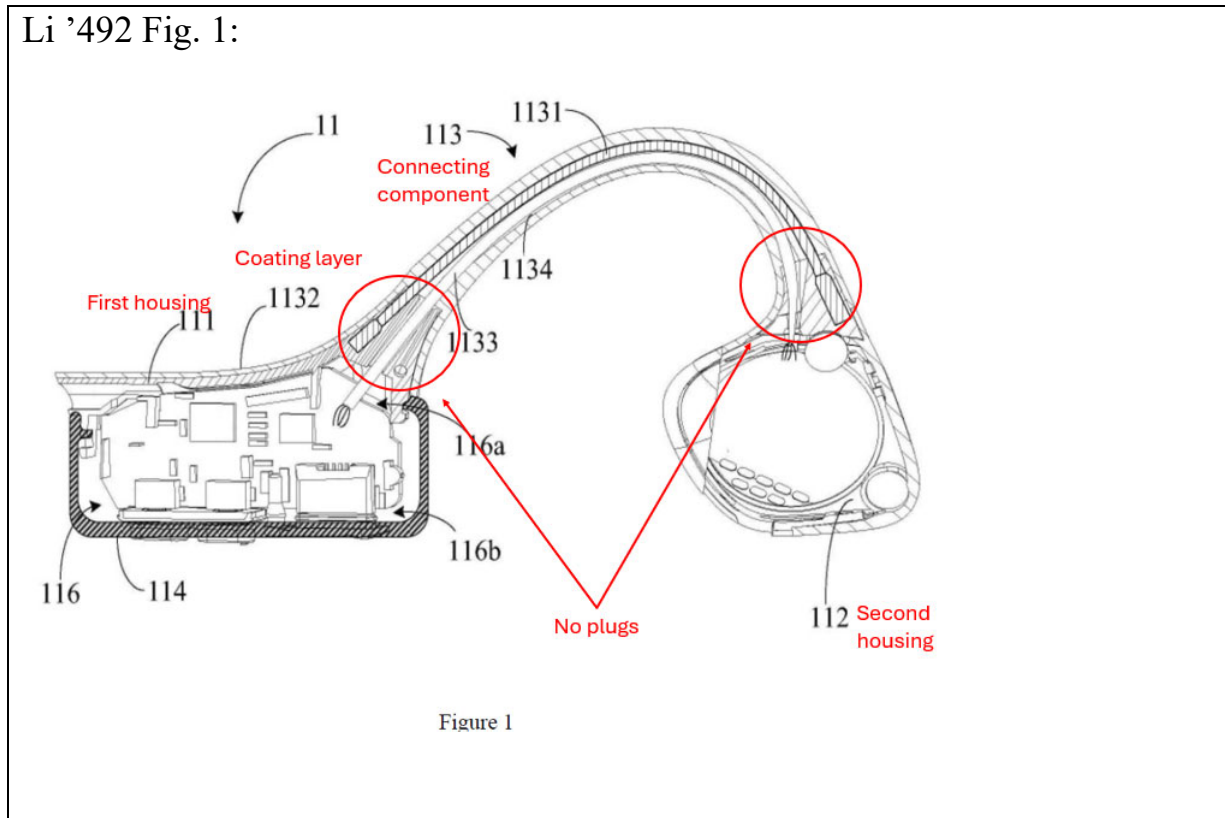
1. The Petition fails to show that the prior art teaches or suggests the claimed configuration

The Petition relies entirely on Li ’492 for the “plug end” element 1[c], “a core housing for accommodating an earphone core, the core housing being fixed to the first plug end and elastically abutted against the protective sleeve” (Petition, 32-35). But Li ’492 shows no such thing.

⁴ *See* Q25 in FAQs for Interim Processes for PTAB Workload Management (<https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management>), stating that “a patent owner may direct attention to an anticipated POPR and evidence for a discussion of the merits.”

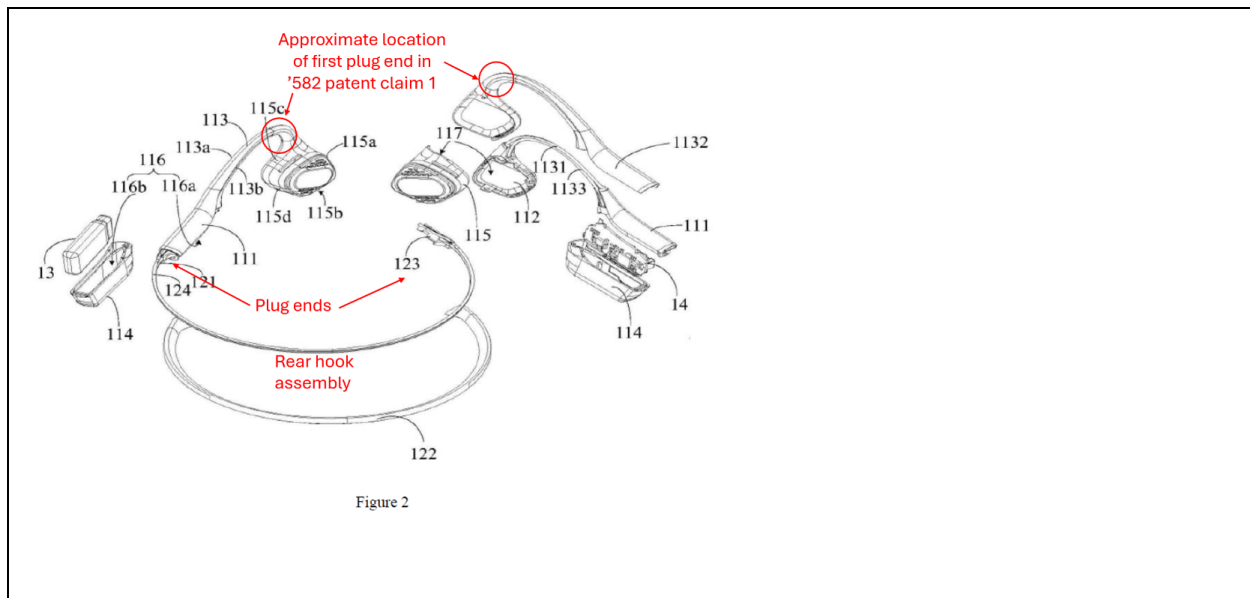
The Petition relies on Li '492's Fig. 1 for the "ear hook" (connecting component 113) and "core housing" (second housing 112). Petition, 24, 32. In contrast to the '084 Patent, Li does not show or suggest a plug of any kind where these two components meet. For example, unlike Fig. 5 of the '084 Patent which illustrates how the first and second plug ends insert into their respective housings (core housing and circuit housing), Fig. 1 of Li '492 does not show any plug ends between the connecting component 113 and the first and second housings 111 and 112 on either end:





Nothing else in Li '492 teaches or suggests a “first plug end” where the claim requires it, nor joining the connecting component 113 to the first housing in such a way that the core housing elastically abuts the protective sleeve. Rather, Li '492 teaches that the two housings are fixed at both ends of the connecting component by injection molding. EX1004, [0029]; *see also id.*, [0036].

The Petition instead relies on Li '492's description of a plug 123, but this plug is located on a rear hook assembly 12 (rather than an “ear hook”) and does not plug into the “second housing” 112 that the Petition identifies with the “core housing” at all. Li '492, Fig. 2 (annotated):



The Petition identifies nothing in Li '492 itself that teaches or even suggests putting a plug end in the configuration required by the claim, such that a core housing containing a headphone core is fixed to the plug end of an ear hook surrounded by a protective sleeve, such that the protective sleeve abuts the housing. The Petition asserts (at 32-33) that various references to the plug end 123 in Li '492 would motivate a POSITA to add a similar plug end to the end of the ear hook facing the second housing 112 “to achieve the various benefits of a modular earphone design.” However, the cited portions of Li '492 all refer to the connection between the plug end 123 and the first housing 111; none of them refer at all to the connection between the ear hook (or “connecting member” 113) and the earphone core (or “second housing” 112). EX1004, [0058], [0059]. Even if Li '492 suggested benefits to a headset that is “modular” by having plug-in connections *somewhere*, that does not

explain the logical leap for a POSITA to add plug-in connections where the '084 Patent requires them.

Petitioner's expert declaration does little more than parrot the conclusory assertions about "modular" headsets made by the Petition; like the Petition, Petitioner's expert never explains why Li '492 itself would have motivated a POSITA to put a plug connection in the configuration required by claim 1 of the '084 Patent. EX1003, ¶¶118-119, 130. Therefore, Petitioner's Petition completely fails to show how Li '492 teaches or suggests a missing limitation. *See, e.g. ActiveVideo Networks, Inc. v. Verizon Commc'ns, Inc.*, 694 F.3d 1312, 1327 (Fed. Cir. 2012) (expert testimony that POSITA would have combined references in claimed manner based on "modular" nature of components was "not sufficient and [] fraught with hindsight bias"); *Arendi S.A.R.L. v. Apple Inc.*, 832 F.3d 1355, 1366 (Fed. Cir. 2016) (generalized evidence that searches for data in databases were common knowledge did not provide teaching or suggestion to search for particular data field which was missing from prior art).

2. Petition fails to identify with particularity the grounds on which its challenge is based

The Petition, and Petitioner's expert, attempt to fix this deficiency in Li '492 by citing *seven* other references that it refers to as "interchangeable headset prior art." Petition at 19-20, 25-27, citing Exs. 1011-1015, 1019. The Petition does not

identify any of these references as part of its Ground 1 combination, yet it appears to rely entirely on this set of references for its assertions that a POSITA would have modified Li '492 to add two plug ends in the specific configuration required by the '582 Patent. The Petition also does not articulate any reason to combine Li '492 and Liao with any one or more of the seven references that it describes as “interchangeable headset prior art.” Nor does the Petition even clearly identify what its proposed combination is. The Petition's adding seven references under the guise of the “knowledge of a POSITA” effectively means that it adds any possible combination of one or more of these seven (that is, any one of them, any combination of two through six of them, or all seven) to the base combination of Li '492 and Liao. The vagueness of the Petition's combination shows that the asserted grounds are not strong. Moreover, the Petition's reliance on up to seven additional references to teach two critical claim elements leads to a lack of particularity that results in voluminous and excessive grounds. This lack of specificity alone is sufficient reason for the Board to exercise its discretion to deny institution. *See, e.g. Adaptics Ltd. v. Perfect Co.*, IPR2018-01596, Paper 20 at 24 (P.T.A.B. March 6, 2019).

IV. The Totality of the Circumstances Favors Discretionary Denial

Each of the issues discussed above, (1) the cumulativeness of the asserted grounds with the art considered during examination, (2) the stage of the district court proceedings and the likelihood of duplicative proceedings, and (3) the substantive

weakness of the Petition, individually weighs in favor of discretionary denial of institution of IPR. However, the combined effect of these issues weighs even more heavily in favor of denying institution.

Here, Petitioner waited eight and a half months after being served with a complaint, during which time the related district court proceeding advanced significantly, just to serve a Petition which relied on a primary reference identical to one cited in the file history of the '084 Patent and identified as the "closest prior art" in the file history of the related '582 Patent. And when Petitioner finally served its Petition, it relied on that substantially identical reference for elements that Examiners in *both* applications found missing, without any explanation about whether and how the Examiners may have erred, and without any compelling explanation for how the Petition's positions are different from those cumulative teachings previously considered by the Patent Office. Moreover, by omitting any mention of the identical art in the file history and implying that it was presenting previously unconsidered art in its Petition, the Petition gives an inaccurate picture of the prior considerations of the Petition's primary reference by the Patent Office. These factors as a whole support denial of the Petition, and there are no countervailing factors that weigh in favor of institution.

V. Conclusion

The factors discussed herein weigh in favor of the Board exercising its discretion to deny institution.

Dated: August 12, 2025

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CERTIFICATE OF WORD COUNT UNDER 37 CFR § 42.24(d)

Under 37 C.F.R. § 42.24(d), the undersigned certifies that the word count for this *Brief on Discretionary Denial* totals 7,647 words, excluding the parts exempted by 37 C.F.R. § 42.24(a). The word count was made using the built-in word count function in the Microsoft® Word software used to prepare this document.

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CERTIFICATE OF SERVICE

I hereby certify that on this 12th day of August, 2025, true and correct copies of the foregoing PATENT OWNER'S BRIEF FOR DISCRETIONARY DENIAL and EXHIBITS were served via electronic mail on Petitioner's counsel at the following address:

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