

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. 11,310,582

Case No.: IPR2025-00843

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. A7 (AfterShokz AS800)
Ex. 2014	Mojawa June 12, 2025 Final Unenforceability and Invalidity Contentions, Ex. A8 (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 July 30, 2025

I. Introduction

Patent Owner, Shenzhen Shokz Co., Ltd., requests that the Board discretionarily deny Petitioner's Petition for *Inter Partes* Review ("IPR") of U.S. Patent No. 11,310,582 (the "'582 patent") for the reasons below.

First, the references relied on in the Petition are cumulative of art before the Examiner during prosecution. Notably, the Petition's primary reference, Li, is largely identical to the "closest prior art" noted by the Examiner during prosecution, and the Liao reference used in all four invalidity grounds has similar teachings as a reference that was already considered by the Examiner. 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-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, two of the claims asserted in the district court litigation are 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 favors discretionary denial of the Petition.

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

A. File History

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

The Petition's summary of the '582 Patent's file history omits any discussion of the Examiner's stated reasons for allowance. While the Examiner did not issue any substantive rejections, 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”). EX1002, 46-47; Exs. 2001, 2002. Not only Applicants had submitted the original and a translation of Li '054 during prosecution (EX1002, 141-160, 163, 207-221), the Examiner herself had uncovered and cited this reference (Ex.1002 at 46 (January 4, 2022 Notice of Allowability), 49, 134-135 (December 6, 2021 Office Action), 137), as also evident from the second page of the '582 patent which designates the Li '054 reference with an asterisk. EX1001 at 2.

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).

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,” (the “first plug end” element, 1[c]) and “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” (the “vibration” element, 1[e]). EX1002, 46-47.

2. Liao Reference used in the petition is cumulative to the Qi reference considered during prosecution

During the prosecution, Applicants also submitted a reference highly similar to Liao, the Petition's secondary reference for the independent claims: U.S. Patent Application Publication No. 2016/0329041A1 to Qi and Liao (“Qi,” EX2003). EX1002, 162. Not only are two of the four inventors listed on Liao also the inventors of Qi, the two references describe many of the same concepts. Notably,

Qi's Fig. 1B is the same as Liao's Fig. 2-B, the primary figure from Liao cited by the Petition (*e.g.* at 11):

Liao, Fig. 2-B (as annotated in Petition at 11):

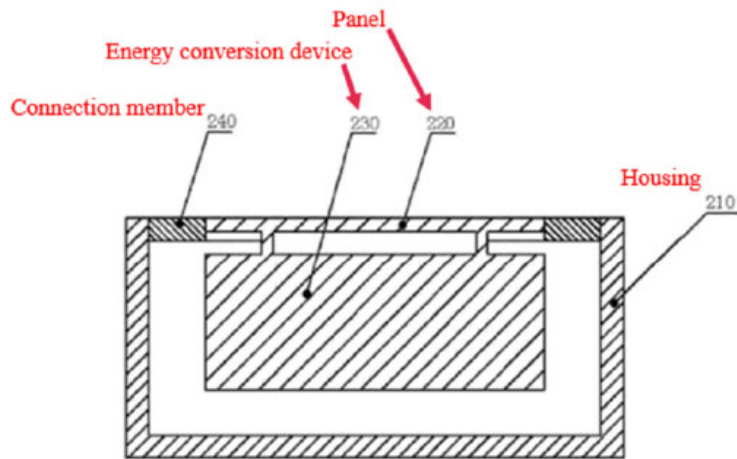


Figure 2-B

Qi, Fig. 1B (considered during prosecution):

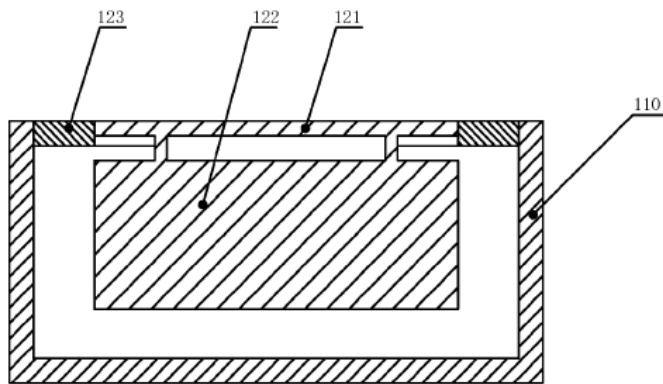


FIG. 1B

B. 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 (PTAB Dec. 15, 2017) (precedential as to Section III.C.5, first paragraph). The *Becton, Dickinson* 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*, IPR2019-02469, Paper 6 at 10 (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, the “closest art” cited during prosecution and discussed by the Examiner in the Notice of Allowance, shares a substantially identical detailed description and figures¹ to the Li '492 reference that the Petition relies on as its primary reference. EX1002, 46-47; EX2004, ¶¶2-4; EX2011. Nearly all of the Petition's citations to Li '492 are

¹ EX. 2011 shows the differences between the two, which are primarily in the claims and introductory material (paragraphs [0001]-[0005]).

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 “first plug end” element 1[c], all of the disclosures cited by the Petition (at 30-33) are substantially identical to the corresponding figures and paragraphs in Li '054.

Likewise, Petitioner relies on Liao, a reference that is highly cumulative and redundant of the Qi reference that was considered during the prosecution. Notably, the Petition, in asserting that the “vibration” element (1[e]) is obvious, relies on Liao's Fig. 2-B. Petition at 10, 34-35, 41-42. But this figure is identical to Qi's Fig. 1-B. See section II(A)(2), *supra*. Moreover, the Petition's primary argument for this limitation is that it is implicitly disclosed by its combination because front and back housings are rigidly connected. Petition, 34-36. Yet Petitioner's expert argues at length that such a rigid connection is *already* taught by Li. EX1003, ¶¶ 134-137. Therefore, the teaching that Petitioner and its expert rely on (*i.e.*, rigidly connected front and back housings) was already in front of the Examiner through Li '054, as well as Qi.

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

This factor weighs in favor of discretionary denial because Li '492 and Li '054 share substantially identical detailed descriptions and figures, and therefore Li

'492 is cumulative with Li '054. Although the Petition additionally cites Liao as part of its combination, the Petition relies entirely on Li '492 for the “first plug end” element 1[c] rather than Liao. Petition at 30-33. Therefore, the teachings that the Petition relies on for the “first plug end” element are entirely cumulative and redundant with the art considered by the Examiner.

Likewise, as to the “vibration” element (1[e]), as discussed regarding factor (a) above, the teaching of rigidly connected housings that the Petition relies on in its argument was already in front of the Examiner through Li '054. Since Petitioner and its expert argue that Li '492 already teaches that the two halves of a housing would vibrate in phase with each other, Liao's teaching that the housings could be directly connected (by omitting connecting members) adds nothing and is entirely cumulative. Moreover, Qi (citing Fig. 1B, which is identical to the Fig. 2-B of Liao relied on by the petition) already teaches that the transducer may pass vibrations from the “vibration board” 121 (identical to Liao's panel 220) to the housing, “causing the housing... to vibrate synchronously.” EX2003, [0059].

Therefore, the Petition's invalidity assertions are cumulative over what was already considered by the Examiner.

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 because the Examiner herself had cited the Li '054 reference, had explicitly considered Li '054 in the Notice of Allowance as the closest prior art of record and explained that Li '054 did not teach certain elements, including the “first plug end” element 1[c] for which the Petition relies on the identical Li '492. EX1002, 46-47. Although Li 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 both the “first plug end” element and the “vibration” element.

Notably, the Examiner found the claims allowable over Li '054 based on both the “first plug end” element 1[c] and the “vibration” element 1[e].

Similar considerations apply to the Liao reference, which is cumulative over the Qi reference considered by the examiner. While the Examiner did not explicitly discuss the Qi reference, the file history still indicates that it was considered. “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 (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, Qi is one of only four U.S. and eighteen foreign patent documents cited in IDS by the Applicants, meaning that it was not “buried” in a massive volume of prior art.

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 discretionary denial because the Examiner explicitly considered Li '054 with respect to the “plug ends” features, and found that it did not teach one of the claim elements (element 1[c]) for which the Petition now relies on the substantially identical disclosure of Li '492.

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 23, 30-32, citing EX1004, Figs. 2, 9; *compare to* EX2002, Figs. 2, 9. Therefore, the Examiner considered the exact same teachings that the Petition relies on for this element.

Likewise, with respect to the “vibration” element 1[e], although not discussed in a rejection or argued by Applicants, the fact that the issue was squarely discussed by the Examiner with regard to Li '054 weighs in favor of denial. The Petition's addition of Liao regarding this element does not weigh against discretionary denial for two reasons. First, as discussed above regarding Factor (a), while the Petition argues that Liao suggests the “vibration” element because it suggests that the front and back housings are rigidly connected (Petition, 34-36), Petitioner's expert argues that Li '492 (which is substantially identical to Li '054) already teaches such a rigid connection. EX1003, ¶¶ 134-137. Therefore, by Petitioner's own admission, the teachings that it relies on from Liao are cumulative with those explicitly considered by the Examiner with respect to Li '054. Second, the remaining teachings from Liao that the Petition purports to rely on are cumulative and overlap with the teachings of Qi, which was before the Examiner. *See, e.g.* EX2003, [0059].

Therefore, this factor favors discretionary denial.

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 weigh in favor of discretionary denial because the Petition does not even acknowledge the Examiner's discussion of Li '054, much less show how the Examiner erred in evaluating the prior art or show how additional evidence and facts presented in the Petition warrant reconsideration.

The Petition fails to acknowledge the Examiner's discussion of Li '054 either in the summary of the file history (at 5) or when it asserts (at 7) that Li '492 "was not cited as prior art and thus was not considered by the patent examiner during prosecution." Any reasonable review of the file history would have shown the Examiner's discussion of Li '054 as the "closest prior art" in the Notice of Allowance, and any reasonable comparison of Li '492 and Li '054 would have shown that their specifications were largely substantially identical. The fact that the Petition not only failed to do so, but presents an inaccurate picture of the '582 Patent's file history and the Petition's key prior art, weighs heavily in favor of discretionary denial.

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 (PTAB 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. After filing its Petition regarding the '582 Patent, Petitioner also filed a Petition for IPR of the second patent asserted in that case, U.S. Patent No. 11,197,084, IPR2025-00842.

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 (Ex. 2005), 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 (collecting cases). 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 IPR2025-00842 (*see* EX2006 and timeline in §IV(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, Inc. v. Kranos Corp.*, No. 16 C 4496, 2017 WL 959019, at *3 (N.D. Ill. Mar. 12, 2017). Of course, the even more advanced state of the case by time of an institution decision is also a consequence of Petitioner waiting eight 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.

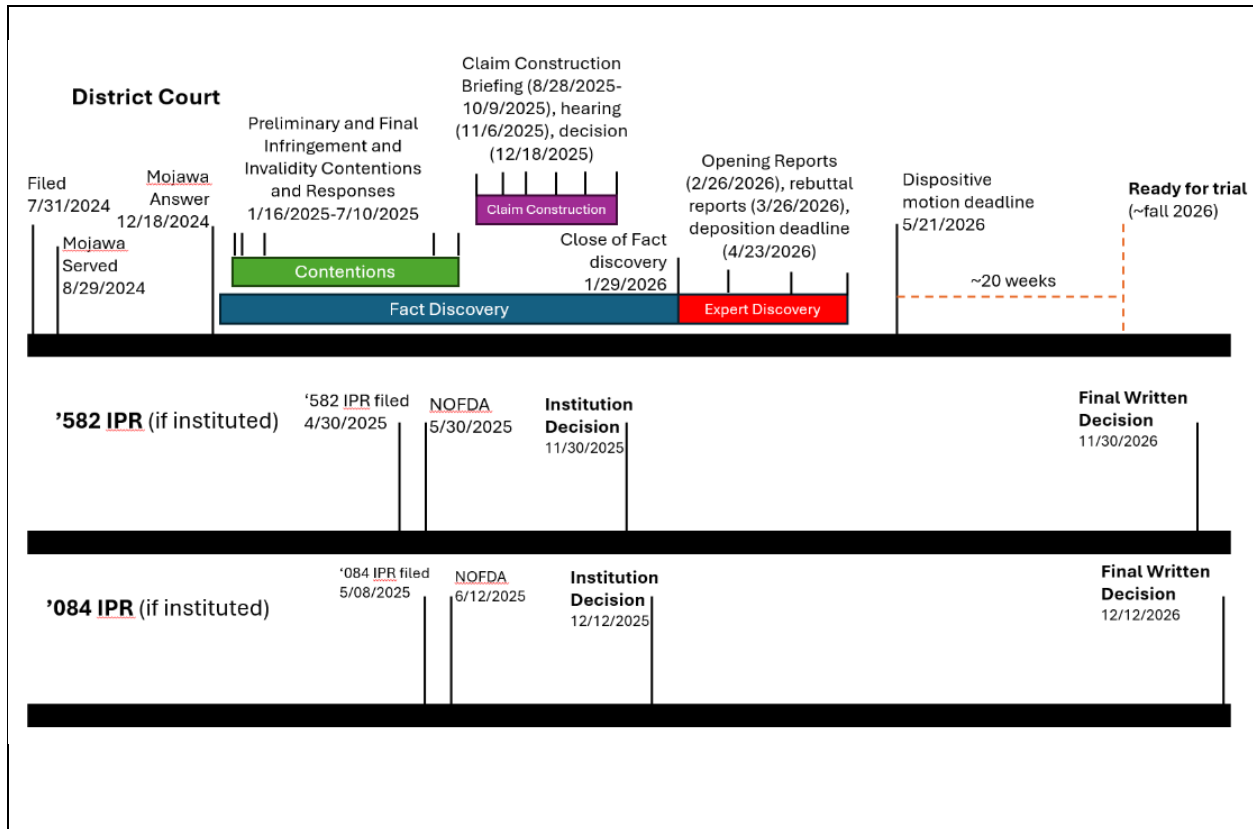
When the district court's trial date is earlier than the expected statutory deadline for Board's final written decision, "the Board generally has weighed this fact in favor of exercising authority to deny institution." *Fintiv*, IPR2020-00019, Paper 11 at 9. Here, the Institution Decision will be issued by November 30, 2025, and the Final Written Decision (FWD) by November 30, 2026. In the co-pending

case IPR2025-00842 involving a related patent, the Institution Decision and FWD dates are even further out, *i.e.*, December 12, 2025 and December 12, 2026.

Although the District Court's scheduling order (Ex. 2006) 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

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.*

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. Ex. 2007, <https://www.ilnd.uscourts.gov/assets/documents/forms/judges/Pacold/Estimated%20Patent%20Schedule.pdf>.



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 Ex. 2004, ¶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 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 two claims of the '582 Patent, yet the two claims (13 and 15) that the Petition does *not* challenge *are* asserted claims in the

district court proceeding. Moreover, Petitioner still did not file its Petition for another three and a half months after receiving Shokz' initial infringement contentions identifying asserted claims, and three months after Petitioner served its own initial invalidity contentions (which included both the Li '492 and Liao references). 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 months to find one reference identical to the "closest prior art" in the file history and another very similar to another cited reference identified in the file history, both of which are 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; *see also NextCaller, Inc. v. TrustID, Inc.*, IPR2019-00961, Paper 10 at 16 (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 references that the Petition relies on, Li and Liao, 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, two claims of the '582 Patent asserted in the district court proceeding (claims 13 and 15) are not challenged in this IPR. EX2004, ¶8. Therefore, regardless of the IPR's status, the validity of claims 13 and 15 will still need to be litigated. Petitioner's invalidity assertions for those two claims rely in part on the same art that it asserts in the IPR. EX1012, 21. Because claims 13 and 15 are dependent claims, 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, 18-19; EX2013, EX2014.³ Just four business days before the deadline for this brief, Petitioner belatedly filed a *Sotera* stipulation, notwithstanding the Office's guidance advising petitioners to file such stipulations, if they choose to do so, "as soon as practicable, so that a patent owner may address the impact of the stipulation in its discretionary denial brief."⁴

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)).

⁴ See FAQs for Interim Processes for PTAB Workload Management, <https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management> (last accessed July 21, 2025).

EX2016. However, (at least with respect to system art) 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.

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 (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, 12, 18, and 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 '582 Patent, Patent Owner will not assert infringement of claims 2-6, 12, 18, or 20 of the '582 Patent against Petitioner. EX2017. *See Samsung Elecs. Co. Ltd. v. Mojo Mobility Inc.*, IPR2013-01094, Paper 11 at 11 (“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 (PTAB Dec. 1, 2020) (precedential as to §II.A); *see also Comcast Cable Communications, LLC v. Touchstream Technologies, Inc.*, IPR2024-00324, Paper 13 at 15 (PTAB 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 based on 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 (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 (“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. Petitioner 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.⁵

⁵ *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.”

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, 30-33). But Li '492 shows no such thing.

The Petition relies on Li '492's Fig. 1 for the “ear hook” (connecting component 113) and “core housing” (second housing 112). Petition, 28-30. In contrast to the '582 Patent, Li does not show or suggest a plug of any kind where these two components meet. For example, unlike Fig. 5 of the '582 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:

'582 Patent Fig. 5:

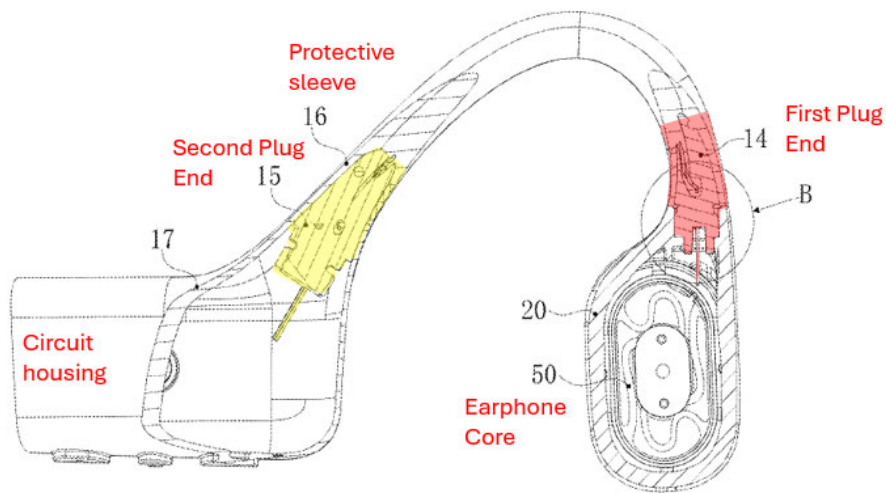


Fig. 5

Li '492 Fig. 1:

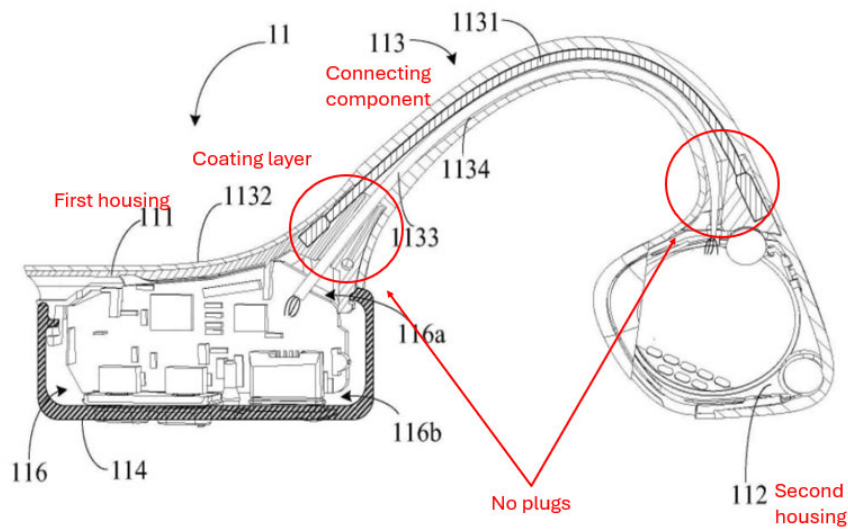
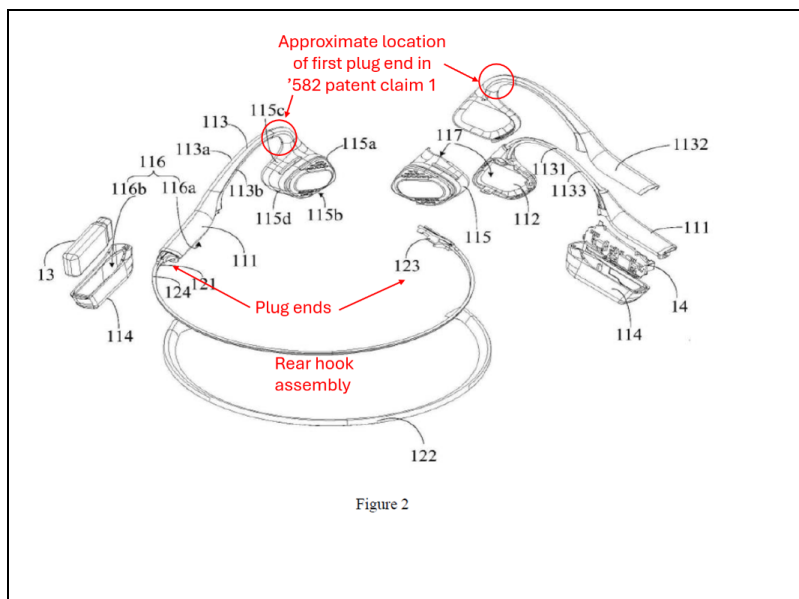


Figure 1

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. The Petition asserts (at 30-31) 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 ’582 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 a POSITA would have been motivated to put a plug connection in the configuration required by claim 1 of the ’582 Patent. EX1003, ¶¶128-130. 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 attempts to fix this deficiency in Li '492 by citing *seven* other references that it refers to as “interchangeable headset prior art.” Petition at 17-18, 23-26, 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.*

Adaptecs Ltd. v. Perfect Co., IPR2018-01596, Paper 20 at 24 (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 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 largely identical to the “closest prior art” in the file history, without any explanation about whether and how the Examiner 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 discussion of that 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 file history and the cited prior art. 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: July 30, 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 6,312 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 30th day of July, 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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