

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
Inter Partes Review No.: IPR2025-00843

**PETITIONER'S RESPONSE TO PATENT OWNER'S BRIEF
IN SUPPORT OF DISCRETIONARY DENIAL**

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Pursuant to the Interim Director's guidance concerning the "Interim Processes for PTAB Workload Management" (Mar. 26, 2025) (the "Workload Guidance"), Suzhou Mojawa Intelligent Electronic Co., Ltd. ("Petitioner," "Mojawa") submit this brief opposing Patent Owner Shenzhen Shokz Co., Ltd.'s ("PO") Brief in Support of Discretionary Denial ("Brief" or "Br.").

I. INTRODUCTION

There are no settled expectations that weigh against discretionary denial of Mojawa's Petition for *Inter Partes* Review ("IPR") of U.S. Patent No. 11,310,582 (the "'582 patent"). The Challenged Claims did not issue until April 19, 2022 and were only in force for three years at the time the Petition was filed. Early challenges such as Petitioner's strongly favor institution even where other considerations might weigh in favor of noninstitution. The Director has emphasized the need for early IPR challenges, and Petitioner has acted early and without delay.

Petitioner acted even more quickly than the IPR filing date suggests. Petitioner was not on notice that the Challenged Claims were relevant to its product lines until August 4, 2024, when Co-Defendant MRNEIO LLC was served and notified Mojawa about the parallel district court litigation and asserted patents. EX1030 at 8 (excerpts of Mojawa interrogatory responses to Shokz). Thereafter, Petitioner acted quickly and filed the instant IPR on April 30, 2025, eight months

later and four months before the statutory requirement. This is another factor strongly supporting the denial of PO's request.

Moreover, the evidence demonstrates that the Examiner "erred in a manner material to the patentability of challenged claims." Specifically, as it relates to the Li, Liao, and Qi references, the Examiner made several clear errors in allowing the claims over the prior art, including ignoring or overlooking clearly invalidating disclosures in the references, such as waterproofing and waterproof materials. The Examiner also materially erred by following a pattern of overlooking the basic scientific principles governing the operation of bone conduction headphones, such as the frequency of human hearing. Though Li '054 was before the Examiner, it was not considered at any level of detail as PO would have the Board believe, despite its disclosure of limitations the applicants relied on to gain allowance of the '582 patent. Also, while Qi was submitted in an IDS by the applicants during prosecution, Br. at 3-4, the Examiner did not base any rejections on it or discuss it in any way, nor was Qi considered in combination with Li '054 or any other prior art during prosecution. The Director has held that discretionary denial under 35 U.S.C. § 325(d) is inappropriate when there has been such a clear error during prosecution. As such, the *Advanced Bionics* framework favors institution, not discretionary denial.

PO's other discretionary denial arguments are unavailing. The Examiner's material errors during prosecution alone are sufficient to support institution, but the *Fintiv* factors weigh in Petitioner's favor as well. Defendant has moved to stay the case, which is not at an advanced stage. No trial date in the district court is set, and trial is likely to occur after the PTAB reaches its final written decision, based on relevant court statistics. Nor did Petitioner delay in filing its Petition. Plaintiff did not serve its initial infringement contentions until January 16, 2025, and Mojawa filed its Petition only a couple months afterward, and months before the statutory deadline. Petitioner has further filed a *Sotera* plus stipulation that forecloses the possibility of duplicative efforts between the Board and the district court. Last, the Petition makes a compelling case for invalidity, in particular by showing where Li discloses key limitations of the '582 patent—as overlooked by the Examiner—and explaining a POSITA's knowledge of the interchangeable audio headset prior art at the time of the patent. In arguing for discretionary denial, PO misstates and misrepresents the content of the Petition.

Petitioner respectfully submits that discretionary denial is not appropriate in this instance and the IPR should be instituted and determined on its merits.

II. NO SETTLED EXPECTATIONS WEIGH AGAINST DENYING PO'S REQUEST AND INSTITUTING THIS IPR

According to the Workload Guidance, one consideration relevant to the discretionary denial decision is “[s]ettled expectations of the parties, such as the length of time the claims have been in force.” Workload Guidance at 2. In the current proceeding, this consideration favors denying PO's request and instituting this IPR because the Challenged Claims were recently issued, and Petitioner diligently presented a challenge after being put on notice of the '582 patent.

The Board has held that a patent in force six or seven years creates strong settled expectations for Patent Owner, whereas a patent in force for three years does not demonstrate settled expectations absent “an explanation of how an extraordinary amount of investment, time, and resources dedicated to research, development, trials, and regulatory approval correlates to settled expectations.” *Amgen Inc. v. Bristol-Myers Squibb Co.*, IPR2025-00601, Paper 9 at 2-3 (Director July 24, 2025).

Like in *Amgen*, the '582 patent has been in force just three years, and PO has not demonstrated that it has developed strong, settled expectations that favor discretionary denial. Indeed, Petitioner's challenge to the '582 patent may be the only challenge the patent faces within the six-year window for settled expectations, as no other lawsuits are pending.

Further, Petitioner was diligent in filing for *Inter Partes* Review. Petitioner was only put on notice that the Challenged Claims were relevant to its products on August 4, 2024, when Co-Defendant MRNEIO LLC was served and notified Mojawa about the parallel district court litigation and asserted patents. EX1030 at 8. Although Petitioner had until August 29, 2025 to file the IPR Petition (the one-year time limit imposed by 35 U.S.C. § 315(b)), *see* Br. at 19, Petitioner acted diligently by filing four months earlier than required by law. Furthermore, the '582 patent issued on April 19, 2022 (EX1001 at (45)), slightly more than just 3 years before the IPR Petition was filed on April 30, 2025.

The Director has indicated that “[e]arly challenges to patents favor robust, predictable patent rights and ***weigh against discretionary denial.***” *Tesla, Inc. v. Charge Fusion Techs, LLC*, IPR2025-00152, IPR2025-00153, Paper 11 at 3 (Director June 12, 2025) (emphasis added) (“In addition, the challenged patents issued recently, in 2023 and 2024.”). Institution is favored here, where Petitioner made an early challenge, and the claims were only in force for a little more than 3 years before the Petition was filed. *See Tesla, Inc.*, IPR2025-00152, IPR2025-00153, Paper 11 at 3; *Amgen Inc.*, IPR2025-00601, Paper 9 at 2-3.

III. DENIAL UNDER 325(D) IS NOT APPROPRIATE

As noted by the Director:

In determining whether to discretionarily deny a petition under § 325(d), Office policy requires a determination of “(1) whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office; and (2) if either condition of first part of the framework is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.”

Tesla, Inc., IPR2025-00152, IPR2025-00153, Paper 11 at 2 (citing *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 8 (PTAB Feb. 13, 2020) (precedential) (“*Advanced Bionics*”)). Applying the two-part framework discussed in *Advanced Bionics*, it is evident that discretionary denial under § 325(d) is not proper.

Regarding part (1), PO makes arguments regarding two of the 18 prior art references supporting the Petition. First, PO argues the Li '492 reference in Mojawa's petition is cumulative of the Li '054 reference. Br. at 6. Second, PO argues the Liao reference in Mojawa's Petition is cumulative of the Qi reference applicants cited in an IDS. Br. at 7, 9. PO makes no arguments regarding the 16 other pieces of prior art discussed in the Petition and the supporting expert declaration. Petition at vi, 1. Critically, it is uncontested that among the art not

before the Examiner is all of the Petition's interchangeable audio headset prior art, evidencing that modular portions of headsets, including speakers, control circuits, and batteries, were well-known as of the '582 patent's priority date. Petition at 17-18 (citing EX1011-EX1016, EX1019). This art, as cited throughout the Petition, including for claim 1, evidences the obviousness to a POSITA of the claimed plug ends in Li. PO makes no argument that this art was cumulative of the art before the Examiner. Significantly, the challenges in the Petition are therefore not the same or substantially the same as those considered during prosecution.

Regarding *Advanced Bionics* part (2), even if Li '492 and Liao are cumulative of art before the Examiner during prosecution, the Office erred in a manner material to the patentability of the Challenged Claims by not considering or applying the art as set forth in the Petition.¹

¹ PO faults the Petition for not “show[ing] how the Examiner erred in evaluating the prior art or show[ing] how additional evidence and facts presented in the Petition warrant reconsideration.” Br. at 13. But all petitioners—and patent owners—have been instructed to follow the bifurcated discretionary denial process, where error by Examiners is addressed at the discretionary denial stage in the present briefing. Workload Guidance at 1-3.

The single rejection by the Examiner in the '582 patent file history is a non-final rejection for double patenting. EX1002 at 129-36. Li '054 is mentioned in the rejection in the Examiner's "Allowable Subject Matter" section. EX1002 at 134-35. There, the Examiner found Li disclosed much of claim 1. EX1002 at 134. Notably, the Examiner found Li disclosed "*an ear hook including a first plug end and a second plug end*":

currently amended. For instance, the closest prior art of record, **Li et al (CN 107484054)** discloses a loudspeaker apparatus, comprising: an ear hook including a first plug end and a second plug end, the ear hook being surrounded by a protective sleeve, a core housing for accommodating an earphone core, the core housing being fixed to the first plug end, including a housing panel facing human body and a housing back panel opposite to the housing panel, and the vibration of the earphone core drives the housing panel and the housing back panel to vibrate, and a circuit housing for accommodating a control circuit or a battery, the control circuit or the battery driving the earphone core to vibrate to generate a sound.

EX1002 at 134.

The Examiner went on to simply list the claim 1 elements she believed were not found in Li or any other prior art, with no analysis or support as to why.

However, the examiner found neither of the prior art cited in its entirety, nor based on the prior art, found any motivation to combine any of the said prior arts which teaches the following limitations in combination with the other limitations of **claim 1: *the protective sleeve being***

made of an elastic waterproof material: the core housing being fixed to the first plug end and elastically abutted against the protective sleeve; and the core housing including a housing panel facing human body and a housing back panel opposite to the housing panel, and 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; the circuit housing being fixed to the second plug end.

EX1002 at 134-35.

The Examiner repeated this text in the “Allowable Subject Matter” section of the Notice of Allowability. EX1002 at 45-48. That is the extent of the Examiner's documented consideration of Li.

The Examiner therefore provided no explanation or analysis during prosecution as to why Li did not disclose these claim elements, even where certain of the claim elements were plainly disclosed by Li, as explained below. The prosecution history only evidences a cursory review of Li by the Examiner without any substantive support. It is also undisputed the Examiner overlooked Petitioner's combination of Li with Liao (the Examiner making no mention of the Liao or Qi reference), as well as all of the other art cited by Petitioner and Petitioner's expert, including the interchangeable audio headset prior art. Further, the Examiner did not have the benefit of expert Dr. Kyriakakis's declaration and detailed analysis laying

out where each claim element is found in the prior art, including in Li, as well as the analysis of the POSITA's knowledge. It simply cannot be said that Petitioner's theories, including the obviousness of the claimed plugs in Li to a POSITA, were considered or rejected by the Examiner.

A detailed analysis of each of the claim elements cited by the Examiner proves her material errors:

“the protective sleeve being made of an elastic waterproof material”

The word “waterproof” is used throughout the Li '054 English specification in the prosecution record, including regarding first elastic coating layer 1132, the claimed ***“protective sleeve.”*** *E.g.*, EX1002 at 212 (“the first elastic coating layer 1132 is fixedly coated on the second casing 112 by injection molding and covers the through hole 1121, so as to have a better ***waterproof*** effect”), 216 (“***waterproof*** bone conduction headphones”), 220 (“improves the ***waterproof*** performance of the existing bone conduction earphone and ensures the waterproofing effectiveness”) (emphasis added). The first elastic coating layer 1132 is also disclosed in Li to be silicone, which is an elastic waterproof material. EX1002 at 210 (“the first elastic coating layer 1132 is a ***silicone layer***. Of course, in other embodiments, the first elastic coating layer 1132 may also be a latex layer or a rubber layer or other elastic plastic layer, or may be a silicone-containing Composite material layer”) (emphasis added); *see also* Petition at 28-30, EX1003 at ¶¶ 123-25. Silicone is a

well-known waterproof material. It is a material error for the Examiner to have overlooked these disclosures in Li, which clearly support the protective sleeve of the earhook being made of an elastic, waterproof material, an element the Examiner found undisclosed in Li.

“the core housing being fixed to the first plug end and elastically abutted against the protective sleeve;”

Despite stating that this element was undisclosed, the Examiner did find that Li disclosed the first half of the element, ***“the core housing being fixed to the first plug end,”*** in the preceding paragraph of her Allowable Subject Matter section, contradicting her own opinion. EX1002 at 134. As explained above, Li discloses the protective sleeve is an elastic, silicone layer, and waterproof. Therefore, it follows that in order to be waterproof, as disclosed by Li, the core housing must elastically abut against the protective sleeve. *See also* Petition 31-33; EX1003 at ¶¶ 129-32. The Petition also demonstrates why this design in Li would be obvious to a POSITA, including in reference to the interchangeable audio headset prior art. Petition 31-33; EX1003 at ¶¶ 129-32.

It is material error for the Examiner to have overlooked the supportive disclosures in Li and the reasoning that follows from them for waterproofing, and to contradict her own opinion.

“the core housing including a housing panel facing human body and a housing back panel opposite to the housing panel, and 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”

The Examiner found Li did disclose the first part of this claim element ***“the core housing including a housing panel facing human body and a housing back panel opposite to the housing panel, and the vibration of the earphone core drives the housing panel and the housing back panel to vibrate.”*** EX1002 at 134. Regarding the final part of this claim element, ***“the vibration of the housing panel having a first phase, the vibration of the housing back panel having a second phase,”*** the Examiner already agreed Li discloses both the housing panel and the housing back panel vibrate. If the panels vibrate, then the vibration of the housing panel necessarily has a first phase, and the vibration of the housing back panel necessarily has a second phase. Petition at 34-36; EX1003 at ¶¶ 134-43. This is a basic principle of physics that a POSITA would understand. See Petition at 34-36; EX1003 at ¶¶ 134-43. The Examiner therefore erred in not finding this element disclosed by Li.

Additionally, this element is disclosed by the Liao reference, which was not cited or considered by the Examiner. Petition at 34-36; EX1003 at ¶¶ 138-43. PO

argues Liao is cumulative of the Qi reference because it shares a similar figure and “describe[s] many of the same concepts,” such as a rigid housing, and further that Liao is cumulative of Li. Br. at 3-4, 7. This is an incorrect oversimplification of Petitioner's arguments that cite several other disclosures from Liao that PO does not address, including its discussion of frequency ranges and Liao's disclosure of an integrally formed core housing. Petition at 34-36; EX1003 at ¶¶ 138-43.

Regardless, there was no discussion of Qi or Liao by the Examiner in the prosecution history. Even if Liao were cumulative, the Examiner made a material error in failing to cite Qi's rigid housing and should have appreciated that each vibrating panel would have a phase. Such overlooking by the Examiner, and contradiction of her own opinion, is material error.

“wherein when the vibration frequencies of the housing panel and the housing back panel is within a range of 2000 Hz to 3000 Hz”

The Examiner found Li disclosed the vibration of the housing panel and housing back panel. EX1002 at 134. It is material error for the Examiner to overlook that 2000 Hz to 3000 Hz is squarely in the range of human hearing and approximately the frequency band of the human voice. Petition at 34-36; EX1003 at ¶¶ 136-144. A POSITA would have understood this and that Li would disclose this limitation as its invention is operating bone conduction earphones.

Furthermore, both Liao and Qi explicitly disclose bone conduction speakers

operating in this frequency range, which represent disclosures overlooked by the Examiner. Petition at 34-36; EX1003 at ¶¶ 138-144; EX2003 (Qi) at [0075], [0078], [0093], [0096], [0100], [0103], [0105]. It is material error for the Examiner to have overlooked these disclosures and not found this claim element present in the prior art.

“an absolute value of a difference between the first phase and the second phase is less than 60 degrees”

As explained in the Petition and expert Chris Kyriakakis's expert declaration, all that is claimed by this element is that the first phase and second phase are nearly in phase, which would necessarily be the case when both housing panels are rigidly connected. Petition at 34-36; EX1003 at ¶¶ 134-44. Li discloses such rigid connection, as does Liao, as well as the vibration being driven by the same source and operation in the claimed frequency range. Petition at 34-36; EX1003 at ¶¶ 134-44. Even if Liao were cumulative, the Examiner made a material error in failing to cite Qi's rigid vibrating housing having panels nearly in phase.

As with other claim elements, it is material error for the Examiner to overlook how bone conduction speakers were known to operate, and what follows from that operation under physics, as explained in detail in the Kyriakakis declaration. The Examiner's cursory dismissal of the claim element with no substantive analysis is error.

“the circuit housing being fixed to the second plug end”

The Examiner reasoned that Li discloses the “***second plug end***,” the “***circuit housing***,” and the “***core housing being fixed to the first plug end***.” EX1002 at 134. It should therefore follow, under the Examiner’s own logic, that Li discloses or renders obvious “***the circuit housing being fixed to the second plug end***,” at least for the reason that it would have been obvious to a POSITA to fix the circuit housing on the other end of the ear hook in the same way the Examiner found the “***core housing being fixed to the first plug end***.” But without further substantive reasoning from the Examiner, it is impossible to know how the Examiner arrived at her conclusion that this element was not disclosed by Li.

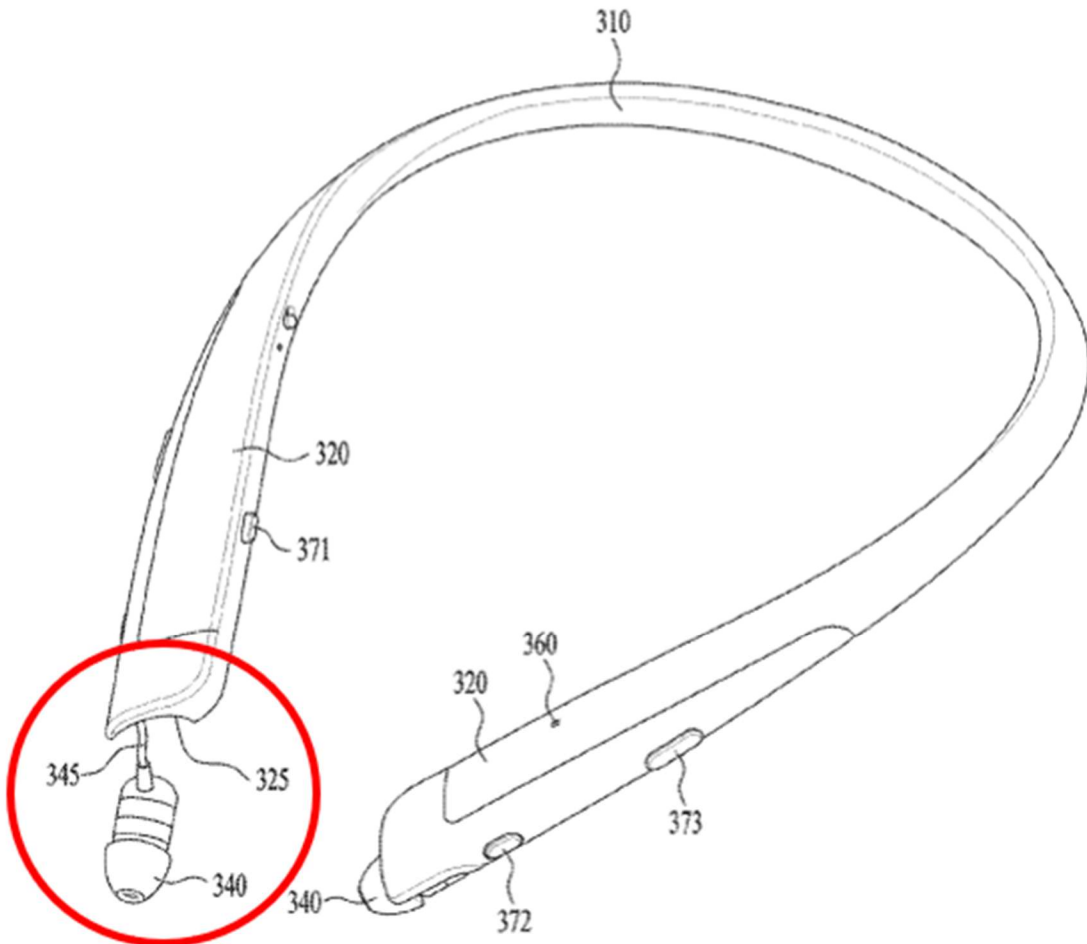
Li already discloses the circuit housing fixed to a plug end. Petition at 38-40; EX1003 at ¶¶ 147-49. Indeed, PO admits Li discloses these plug ends. Br. at 10-11. As explained in the Petition and expert Chris Kyriakakis’s declaration, it would have been obvious to a POSITA to locate the socket on the opposite side of the circuit housing to fix with the second plug end of the earhook. Petition at 38-40; EX1003 at ¶¶ 147-49. The prior art teaches the benefits of modular circuit housing design, and the design in Li would achieve these well-known benefits using structures already in use in Li. Petition at 40; EX1003 at ¶149.

Furthermore, related patent U.S. 11,197,084, concurrently petitioned for IPR by Petitioner, shares the majority of its specification with the ’582 patent and

similar or identical claim 1 limitations such as “the core housing being fixed to the first plug end” and “the circuit housing being fixed to the second plug end.”

EX1031 ('084 patent) at claim 1. The Examiner of the '084 patent (a different Examiner than the '582 patent) cited a single piece of prior art in the patent's Notice of Allowance, the Kim prior art reference (U.S. 10,306,351). EX1033 at 13-14 (excerpt of '084 patent prosecution history); EX1032 (Kim reference). That Examiner noted Kim disclosed plugs for a speaker apparatus. EX1033 at 13. The Kim reference, however, was not considered or cited by the Examiner of the '582 patent. It would have been efficient for the Patent Office to have staffed the same Examiner and prior art units on both the '582 and '084 patent applications, filed just one day apart and sharing a majority of overlapping content. Instead, the '582 patent Examiner did not cite or consider the Kim reference, which the '084 patent Examiner identified as disclosing an element (plugs) relevant to the '582 patent Examiner's analysis. Those plugs were described as “an audio output unit detachably mountable in the audio output unit holder and configured to output audio.” EX1032 at Abstract. The earbud holder 325 is shown in Figure 2 below, and is located at the end of the elastic band 310, similar to the claimed second plug end location, because the modular point is between the headphone structure and sound-producing element.

FIG. 2



EX1032 at Fig. 2 (annotated). The '582 patent Examiner's failure to identify this reference is material error.

The Examiner considered none of the interchangeable audio headset prior art cited in the Petition as supportive of this point, or the Kim reference identified by the '084 patent Examiner. Petition at 17-18, 38-40; EX1003 at ¶¶72-101, 147-49.

Such art especially makes this element obvious in light of the Examiner's finding that Li already disclosed the "*core housing being fixed to the first plug end.*" To not equally find "*the circuit housing being fixed to the second plug end*" disclosed by Li and the overlooked prior art is material error.

* * *

As such, the Examiner in fact made several clear errors in allowing the claims over the prior art—including overlooking disclosures in the Li, Liao, and Qi references—and followed a pattern of overlooking the basic scientific principles governing the operation of bone conduction headphones, as explained in the Petition's supporting expert declaration. The Examiner also did not have the benefit of evaluating Kim or the companion '084 patent application. The Petition offers the Patent Office an opportunity to rectify these errors.

The Director has recently held that "discretionary denial under § 325(d) is inappropriate" in similar instances where the examiner overlooked art and its teachings. *Microsoft Corp. v. Partec Cluster Competence Center GmbH*, IPR2025-00318, Paper 9 at 2-3 (Director June 12, 2025) ("Petitioner provides persuasive evidence that the Office erred in a manner material to the patentability of the challenged claims by overlooking the teachings of Budenske and Kambalta, and the combined teachings of Budenske and Lippert, or Budenske and Kambalta with Lippert. . . . Accordingly, *discretionary denial under § 325(d) is inappropriate.*")

(emphasis added); *Tesla, Inc.*, IPR2025-00152, IPR2025-00153, Paper 11 at 2-3 (no discretionary denial because “Petitioner persuasively argues that the patent examiner overlooked Letendre’s teachings, thus demonstrating that the Office erred in a manner material to the patentability of the claims”). The Director should follow that reasoning here and refuse discretionary denial.

IV. THE FINTIV FACTORS WEIGH AGAINST DISCRETIONARY DENIAL

As explained in more detail below, *Fintiv* cuts against discretionary denial. PO’s *Fintiv* analysis is premised on a hypothetical trial date based on a different, cherry-picked district court judge’s patent schedule, rather than the time-to-trial statistics the Director and Board routinely rely on that show the final written decision will very likely arrive before trial. PO fails to cite a decision by the Board stating its analysis should somehow trump such statistics. Petitioner also has a fully briefed motion to stay pending in the district court. As such, *Fintiv* factor 1 is neutral and factor 2 weighs against discretionary denial.

PO’s factor 3 analysis highlights how the parallel district court case is, in fact, in its early stages, and otherwise accuses Petitioner of delay where there is none. Petitioner filed its Petition months after receiving PO’s infringement contentions and months before the statutory deadline. This factor, therefore, weighs against discretionary denial. As does factor 4, where Petitioner’s broad

Sotera plus stipulation ensures there will not be duplicative efforts between the Board and the district court.

Though the parties are the same under factor 5, the factor is neutral. Last, PO's "compelling case" argument for factor 6 relies on plain misrepresentations of the Petition's strong, well-reasoned challenges. As such, 4 *Fintiv* factors weigh in favor of denying PO's request and two are neutral.

A. 35 U.S.C. § 314(a) Analysis

The *Fintiv* factors weigh against discretionary denial. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 5-6 (PTAB Mar. 20, 2020) (precedential) ("*Fintiv*"); *Sand Revolution II, LLC v. Continental Intermodal Group - Trucking LLC*, IPR2019-01393 (PTAB June 16, 2020) ("*Sand Revolution*").

1. Stay

Factor 1 is neutral. As PO acknowledges, Petitioner has sought a stay in the district court proceedings, and to date, the district court has not issued a decision. Br. at 15. PO acknowledges the potential for the stay in arguing 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." Br. at 16. PO incorporates argument from its opposition to plaintiff's stay motion that NDIL courts frequently deny stay motions prior to institution of IPRs. Br. at 15. But Petitioner in its stay motion cited an equal

number of cases where the NDIL court recognized the appropriateness of staying a case even prior to IPR institution. EX1034 (Mojawa's stay motion) at 4; *see, e.g., Black & Decker Inc. v. Positec USA, Inc.*, No. 13-cv-3075, 2013 WL 5718460, at *1 (N.D. Ill. Oct. 1, 2013) ("This court has the authority to stay, at its discretion, an action pending PTO review." (citing *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988)); *Ignite USA, LLC v. Pac. Mkt. Int'l, LLC*, No. 14 C 856, 2014 WL 2505166, at *2 (N.D. Ill. May 29, 2014) (staying case pending IPR institution decisions); *Medline Indus., Inc. v. C.R. Bard, Inc.*, No. 14 C 3618, 2015 WL 13955997, at *2 (N.D. Ill. Feb. 11, 2015). As explained by Petitioner in its reply in support of its motion to stay, although the parties exchanged infringement and invalidity contentions, the fact remains that the case is not at an advanced stage, as evident by (1) discovery remaining open for another 5 months; (2) no depositions or expert discovery have been taken; (3) the claim construction process has only just begun, with Mojawa recently exchanging its opening brief; and (4) no trial date has been set. EX1035 (Mojawa's reply in support of motion to stay) at 5-6. The District has stayed cases that have advanced farther than this case. EX1035 at 5-6 (citing *Genzyme Corp. v. Cobrek Pharms., Inc.*, No. 10-CV-00112, 2011 WL 686807, at *2 (N.D. Ill. Feb. 17, 2011) (staying the case where "only limited discovery has been conducted, no depositions have been taken, and no trial date has been set"); *Emhart Indus., Inc. v. Sankyo Seiki Mfg. Co.*, No. 85 C 7565, 1987 WL

6314, at *3 (N.D. Ill. Feb. 2, 1987) (granting stay even where “significant, costly discovery has already taken place,” but where “substantially no trial preparations have been carried out”)). PO acknowledges the IPR institution decisions will arrive before the district court’s claim construction ruling. Br. at 15-16. PO also complains Petitioner delayed in filing its IPR Petition, but such complaint is unfounded, as discussed further below. Br. at 16.

Therefore, *Fintiv* factor 1 is neutral.

2. Trial Date

There is no trial date scheduled in the parallel district court proceeding. EX2006. The anticipated trial date based on the median time from filing to trial for the Northern District of Illinois is mid-April 2029 (56.4 months from July 31, 2024), long after the anticipated November and December 2026 FWDs. EX1036; Br. at 16-17. The Director has recently held that these facts weigh against discretionary denial. *Amazon.com, Inc. et al. v. NL Giken Inc.*, IPR2025-00250, IPR2025-00407, Paper 14 at 2 (Director May 16, 2025) (using time-to-trial statistics rather than scheduled trial date to determine not to exercise discretion to deny institution because “it is likely that a final written decision in this proceeding will issue before the district court trial occurs”); *Samsung Elecs. Co., Ltd. v. Keyless Licensing LLC*, IPR2025-00526, Paper 12 at 2 (PTAB July 17, 2025) (relying on time-to-trial statistics to discretionarily deny where “it is unlikely that a

final written decision in these proceedings will issue before district court trial occurs”).

According to Docket Navigator, Judge Jorge L. Alonso has not had a patent trial. EX10037.² The best data available is the median time-to-trial statistics for the Northern District of Illinois. PO's singling out of another judge's generally estimated trial schedule is improper. Br. at 17. PO is aware of the relevance of time-to-trial statistics, as it predicted Petitioner's reliance on them (Br. at 19) without itself contending with them, nor citing any case law for its proposition that the court's current schedule with no scheduled trial date should somehow trump the Board's routine reliance on such statistics.

Statistically speaking, the court's trial date will be after the Board issues its FWDs in late 2026. Even conservatively cutting the median NDIL time to trial in half to 28.2 months would put the estimated trial date at early December 2026—again, past or very likely past the 2026 FWDs. The best data available, even analyzed most conservatively, puts the trial date after the FWDs. Factor 2 therefore weighs against discretionary denial.

² The single bench trial linked to Judge Alonso's profile is *Hospira, Inc. v. Fresenius Kabi USA, LLC*, No. 1-16-cv-00651 (N.D. Ill. Dec. 17, 2018), an opinion and order by Judge Rebecca R. Pallmeyer.

3. Parallel Proceeding

PO wrongly argues that “the parties have invested substantial resources” in the district court case by the institution decision deadline. Br. at 19-20. Indeed, there has been very little investment in the litigation other than the parties’ contentions and Petitioner’s opening claim construction brief. EX1038 (NDIL case docket as of August 31, 2025). After the Director’s decision on discretionary denial, Petitioner’s claim construction reply brief and the claim construction hearing will still remain. According to the case schedule, the Court’s claim construction ruling will not occur before either institution decision in the IPRs. Fact discovery, expert discovery, and pre-trial briefing will not be complete (or, in the case of expert discovery and pre-trial briefing, likely even start) before the institution decisions.

Moreover, no “substantive orders have been entered,” which “weighs against exercising discretion to deny institution.” *Palo Alto Networks, Inc., v. Croga Innovations Ltd.*, IPR2024-01421, Paper 8 at 11-12 (PTAB March 14, 2025) (citing *Fintiv*, Paper 11 at 10, “If, at the time of the institution decision, the district court has not issued orders related to the patent at issue in the petition, this fact weighs against exercising discretion to deny institution under *NHK*.”). Thus, this factor weighs against discretionary denial. *Id.*

PO's accusation that Petitioner delayed in filing its Petition is completely unfounded. Br. at 20-21. Petitioner was unaware of the asserted patent until August 4, 2024. EX1030 at 8. Plaintiff did not serve its initial infringement contentions until January 16, 2025, and Mojawa filed its Petition on April 30, 2025, just a few months afterward and four months before the statutory deadline of August 29, 2025. There was therefore no delay by Mojawa and its timing was perfectly reasonable. *SAP America, Inc. v. ISIX IP LLC*, IPR2024-00615, Paper 9, 22-24 (PTAB Sept. 26, 2024) (factor 3 "weighs strongly against the exercise of discretionary denial" where Petitioner filed Petition about five months after receiving infringement contentions and there had been no claim construction ruling or dispositive motions filed). PO's citing of *NextCaller* is inapposite because, in that case, the district court proceeding was more advanced than here: the court had issued a claim construction ruling, fact discovery was completed, expert discovery was to be completed shortly, and a scheduled trial date would conclude several months before a final decision in the IPR. *NextCaller, Inc. v. TrustID, Inc.*, IPR2019-00961, Paper 10 at 14-16 (PTAB Oct. 16, 2019).

PO's argument that "[i]t doesn't take eight months" to locate the Li '492 and Liao references is disingenuous, Br. at 21, and ignores the 16 other pieces of prior art discussed in the Petition and expert Chris Kyriakakis's declaration. PO is well aware of the amount of work involved in preparing an IPR petition.

Because it is still early in the district court case and Petitioner acted diligently, this factor weighs against discretionary denial.

4. Issue Overlap

PO acknowledges Petitioner has already filed a broad *Sotera* plus stipulation that severely limits the invalidity challenges in the litigation if the IPR is instituted. Br. at 23. The Director has approved of this type of broad stipulation in the recent decision in *Shenzen Tuozho Tech. Co., Ltd. v. Stratasy, Inc.*, IPR2025-00438, Paper 10 at 3 (Director July 17, 2025). Petitioner acknowledges that some of the invalidity contention grounds in the district court case cover the prior art grounds cited in the IPR Petition, but many others do not. EX2012 at 18-21. Indeed, Petitioner has several grounds based on product prior art, which cannot be part of an IPR. *Id.* Should this IPR be instituted, Petitioner will be forced to limit the prior art grounds in the litigation per the IPR stipulation and—as stated in the stipulation—“there will be ***no*** overlap between the issues raised in the Petition and the district court, and this IPR will serve as a ‘true alternative’ to the district court proceeding.” EX2016 at 1. PO focuses on the substantial overlap between the cases, Br. at 22, but ignores that Petitioner’s stipulation ensures there will not be duplicative efforts.

PO criticizes Petitioner's stipulation as being "belatedly filed," but there was no prejudice to PO as it was able to fully respond to the stipulation in its opening discretionary denial brief, as it did so. Br. at 23-24.

PO criticizes Petitioner's stipulation for "leav[ing] an opening to argue that the system art that it asserts in the district court is not 'materially identical' to its IPR patent references." Br. at 24. But PO has the analysis wrong. Petitioner's stipulation is proper—system art, none of which can be asserted in IPR proceedings, that is not materially identical to IPR art may be left to the district court. That is the only venue for Petitioner to make such arguments. Rather, the appropriate inquiry here is whether the IPR and the district court proceedings are duplicative. With Petitioner's stipulation, they cannot be.

PO tellingly stops short of arguing that the AS800 and AS600 headsets are "materially identical," instead arguing in a single line that "the system art and the prior art publications describe Shokz's own technology." Br. at 24 (emphasis added). Importantly, the AS800 and AS600 headsets are PO's headsets. If the AS800 and AS600 headsets are materially identical to the closest prior art cited, PO should have cited them to the Examiner. The arguments Petitioner may make in the district court would therefore not be duplicative of the arguments it makes in IPR, and Petitioner will be foreclosed from making duplicative arguments. That is the plain effect of Petitioner's stipulation.

Petitioner acknowledges that two asserted claims were not pursued in the IPR Petition, but each of those claims are dependent claims, and Petitioner pursued IPR of 18 other '582 patent claims, including all other asserted claims. Therefore, the IPR proceeding would certainly eliminate duplicate efforts by the district court as it will analyze much of the same subject matter of the asserted patent.

This factor weighs against discretionary denial.

5. Same Party

The Petitioner, PO, and the parties in the litigation are the same parties, although the same fact applies to the vast majority of IPR petitions and thus adds little, if any, weight towards the Board's analysis. *Shenzhen Root Technology Co., Ltd. v. Chiaro Technology Ltd.*, IPR2024-01296, Paper 9 at 19-20 (PTAB Feb. 25, 2025) (fifth *Fintiv* factor weight is neutral where parties are the same in IPR proceeding and parallel district court proceeding, citing cases); *Snap, Inc. v. SRK Tech. LLC*, IPR2020-00820, Paper 15 at 9 (PTAB Oct. 21, 2020) (designated precedential Dec. 17, 2020) (this factor is "neutral or, at most, weigh[s] slightly in favor of exercising discretion to deny institution"). The factor is therefore neutral or, at most, weighs only marginally in favor of denying institution, especially where Petitioner's stipulation has ensured there will be no duplicative efforts between the Board and the district court.

6. Other Considerations

Other considerations also weigh strongly against discretionary denial. The Challenged Claims are clearly invalid, the '582 patent has never been challenged in a post-issuance proceeding, and the Examiner made multiple material errors during prosecution as chronicled above in what was essentially a first office action allowance on the merits.

In arguing that the petition “fails to present a compelling case of invalidity,” Br. at 25, PO misstates and mischaracterizes the content of the Petition. PO argues “[t]he Petition relies entirely on Li '492 for the ‘plug end’ element 1[c].” Br. at 27. However, ground 1 of the Petition is “Li, Liao, and the Knowledge of a POSITA Render Obvious Claims 1 and 14.” Petition at 18. Petitioner of course cites Li for the element, but further explains “as discussed above in [1a] a POSITA would have found it obvious to include a *first plug end* on one end of Li’s ear hook to connect it to the earphone core . . . using Li’s plug-in portions 123 design . . . given that modular speaker portions of headsets were well-known as of the priority date of the '582 Patent.” Petition at 30-31. Here, as is the case throughout the Petition, Petitioner incorporates the background interchangeable audio headset prior art for obviousness of plug locations. *E.g.*, Petition at 17-18, 21-28. PO therefore misstates—and misrepresents—the arguments of the Petition. Br. at 27-31.

In another example, PO states “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.” Br. at 30. This is patently untrue, as the Petition and expert declaration explain at length a POSITA’s motivation to do so. Petition at 17-18, EX1003 at ¶¶72-101 (interchangeable audio headset prior art); Petition at 21-28, EX1003 at ¶¶114-22 (element [1a], explaining “[a] POSITA would have found it obvious to include a *first plug end* in Li’s ear hook using the same general design of the plug-in portions 123. As discussed above in §V.I [“Interchangeable Audio Headset Prior Art”], modular portions, such as speaker portions and control circuit housing portions, of headsets were well-known as of the priority date of the ’582 Patent. . . . [A] POSITA would have found it obvious to configure the plug-in portions 123 with known modular electrical connections A POSITA would have been motivated to use such known modular electrical connections for the additional benefit of reducing manufacturing costs and complexity”); *see also* element [1c]. PO cites *ActiveVideo Networks*, but there, “[t]he expert failed to explain how specific references could be combined, which combination(s) of elements in specific references would yield a predictable result, or how any specific combination would operate or read on the asserted claims.” *ActiveVideo Networks, Inc. v. Verizon Commc’ns, Inc.*, 694 F.3d 1312, 1327 (Fed. Cir. 2012). Again, that is patently not the case here, where the

prior art combinations in the Petition and supportive expert declaration are clear and thoroughly explained as to the invalidity of the asserted claims.

Similarly, PO argues the Petition fails to identify with particularity the grounds on which its challenge is based. Br. at 31. As described above, there is nothing improper about citing prior art references to demonstrate a POSITA's knowledge and motivation. *See Unification Techs. LLC v. Micron Tech. Inc.*, No. 2023-1348, 2024 WL 3738401, at *7 (Fed. Cir. Aug. 9, 2024) (affirming use of general knowledge in an IPR proceeding in the form of expert testimony and applicant admitted prior art to demonstrate how a skilled artisan would have understood a prior art reference's disclosure as teaching a claim limitation).

The references cited by Petitioner in the interchangeable audio headset prior art section are support for a POSITA's knowledge and motivation regarding the prior art grounds cited in the Petition. Petitioner's prior grounds are not unclear, nor "voluminous and excessive," Br. at 31-32. Rather, they are clearly described and laid out in the Petition. The Petition is therefore unlike that in *Adaptics*, cited by PO, where, for example, petitioner there had a "catch-all" ground citing the combination of 10 prior art references separated by an and/or, creating an undefined "multiplicity of grounds" yielding hundreds of possible combinations. *Adaptics Ltd. v. Perfect Co.*, IPR2018-01596, Paper 20 at 17-19 (PTAB March 6, 2019). That is simply not the case here, where Petitioner's grounds are bounded,

defined, and properly cite references in support of a POSITA's knowledge and motivation.

* * *

In sum, all but two of the *Fintiv* factors weigh against a discretionary denial. The remaining neutral “same party” factor applies to nearly all IPR petitions and should be given little weight. As should the “stay” factor: Though Petitioner's stay motion is fully briefed, the Board need not speculate as to how the district court will rule on the motion.

Accordingly, discretionary deny under §314(a) is not warranted.

B. The Totality of the Circumstances Does Not Favor Discretionary Denial

For the reasons discussed above, discretionary denial of the Petition is not warranted. The Examiner materially erred in her examination. The Patent Office did not have the benefit of evaluating both asserted patent applications by the same examiner. The Patent Office can rectify that error by instituting both Mojawa petitions.

The possibility of duplicative proceedings is precluded by Petitioner's broad *Sotera* plus stipulation, which corresponds to the broad stipulation relied on with approval in the recent decision in *Shenzen Tuozho Tech. Co., Ltd.*, IPR2025-00438, Paper 10. The district court case is not advanced. The Petition lays out a clear,

strong case for invalidity. Therefore, the totality of the circumstances does not favor discretionary denial as argued by PO.

PO reiterates the same points from earlier in its brief, Br. at 32-33, claiming delay by Petitioner that does not exist, advancement of the district court case which has not happened, and faulting Petitioner for not previously arguing the Examiner's errors, when Petitioner has been instructed to make such arguments in the present brief. Petitioner has made such arguments, and they indicate discretionary denial is not warranted.

V. CONCLUSION

In this IPR, all of the evidence and arguments warrant denying PO's request and allowing this IPR to be determined on the merits.³

Date: September 2, 2025

Respectfully submitted,

/s/ James M. Heintz

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³ Petitioner is aware that some Petitioners have challenged that the Workload Guidance violates the Administrative Procedures Act ("APA"). *See Amazon.com*, IPR2025-00250, IPR2025-00407, Paper 11, at 19-20. Petitioner reserves the right to assert the APA should one of these challenges be granted.

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CERTIFICATE OF WORD COUNT

Pursuant to 37 C.F.R. § 42.24(d), Petitioner certifies that this Response includes 7,239 words, as measured by Microsoft Word, exclusive of the table of contents, certificates of service and word count, and listing of the exhibits.

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CERTIFICATE OF SERVICE

The undersigned certifies pursuant to 37 C.F.R. §§ 42.6(e) and 42.105 that on September 2, 2025, a true and correct copy of the Petitioner's Response to Patent Owner's Brief in Support of Discretionary Denial was served via electronic mail to the following attorneys for the Patent Owner:

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