

Case No. IPR2025-01180
U.S. Patent No. 11,864,641

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner,

v.

1LSS, INC.,
Patent Owner.

IPR2025-01180
Patent No. 11,864,641

PATENT OWNER'S CORRECTED DISCRETIONARY DENIAL BRIEF

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EXHIBIT LIST

EXHIBIT NO.	DESCRIPTION
EX2001	U.S. Patent No. 9,800,283 (“Schmidt”)
EX2002	U.S. Pat. Publ. No. 2017/0196331 (“Gluck”)
EX2003	Report of Parties’ Planning Meeting Under F.R.C.P. 26 (f) [Doc. 43] in <i>ILSS Inc. v. Apple Inc.</i> , Case No. 24-cv-08769-SRM-JP
EX2004	Stipulated Protective Order [Doc. 49] in <i>ILSS Inc. v. Apple Inc.</i> , Case No. 24-cv-08769-SRM-JP
EX2005	U.S. Pat. Publ. No. 2018/0234126 (“Yeo”)
EX2006	U.S. Pat. Publ. No. 2014/0217135 (“Murphy”)
EX2007	U.S. Pat. Publ. No. 2012/0031937 (“Baker”)

I. INTRODUCTION

Patent Owner 1LSS, Inc. (“1LSS”) respectfully requests that the Director exercise discretion and deny Petitioner Apple Inc.’s (“Petitioner”) request for *inter partes* review under 35 U.S.C. § 325(d) and 314(a). Petitioner seeks to relitigate invalidity arguments previously made by rehashing the same prior art combinations and arguments that were exhaustively examined and rejected during prosecution, first by the Examiner across multiple office actions and ultimately by the Patent Trial and Appeal Board. The central invalidity theory in this Petition—the combination of Berkley and Baca—was considered no fewer than three times by the Examiner during prosecution and, after careful analysis, the Board reversed the Examiner’s rejections, finding that Berkley-Baca failed to disclose key limitations. Rather than identifying any material error in the Office’s evaluation of this art, Petitioner explicitly adopts the Board’s findings for nearly all challenged claims.

The Petition’s attempt to circumvent § 325(d) through the introduction of purportedly “new” references fails at both steps of the *Advanced Bionics* framework. First, the new references are undeniably cumulative of prior art already considered. The Goto reference, now substituted for Sartee and Gluck, discloses substantially the same shielding structure with the same fatal deficiency—it does not teach placing a shield between the wallet’s magnetic arrangements and compartment. Similarly, the Zhu and Kinshi references, offered as alternatives to Berkley-Baca, are

cumulative of the Schmidt folio-type case that the Examiner expressly considered. Despite their cumulative nature, the Petition makes no attempt to explain how these “new” references differ from the cited art in a manner material to the patentability of the claims or how they remedy deficiencies the Board identified. Second, and fatally, Petitioner has wholly failed to demonstrate that the Office erred in any manner material to patentability. The Petition does not demonstrate, as it must, that no reasonable examiner could have reached the Board’s conclusion that Berkley-Baca did not disclose or render obvious the “specific orientation” limitation.

The *Fintiv* factors also strongly favor denial because, among other reasons, the proposed trial date precedes FWD by several months. Granting institution thus would undermine the AIA’s purpose as an efficient alternative to litigation.

In sum, this Petition asks the Board to relitigate prior art combinations that were thoroughly vetted and found wanting during prosecution, without identifying any material error in that evaluation and in the face of parallel litigation that will resolve these same issues months before the Board could act.

II. BACKGROUND

A. The Prosecution History

1. The Examiner’s Rejections Based on Berkley-Baca

From the outset of the prosecution, the Examiner relied on the combination of Berkley (EX1013) and Baca (EX1006) (“Berkley-Baca”) to reject the original

claims. In a first office action dated July 26, 2021, the Examiner rejected prosecution claims 1-11 based on Baca, alone and in combination with other art. *Id.*, 149-156. In its rejection, the Examiner argued that Baca disclosed all of the claimed features of prosecution claim 1. *Id.*, 150 (arguing that Baca disclosed elements [1.P]¹, [1.A], [1.B and 1.C] and 1.F.1 and 1.F.2).² The Examiner also rejected prosecution claims 1, 3-5, 7-9 and 11 based on Berkley-Baca. *Id.*, 156-158. In its Berkley-Baca rejection, the Examiner argued that Berkley disclosed elements [1.P] and [1.A] and Baca disclosed the remaining elements. *Id.*, 156-157. The Examiner combined Berkley-Baca with Sartee³ for the shield of prosecution claim 2 and combined Berkley-Baca with Sartee and Gluck (EX2002) for the metallic plate of prosecution claim 6. *Id.*, 158-160. The Examiner also acknowledged consideration of Schmidt (EX2001), which disclosed a folio-type wallet for a mobile device. *Id.*, 170-171; EX2001 at FIG. 25B. In an interview dated September 28, 2021, 1LSS and the Examiner discussed rejections under Section 103 based on Berkley-Baca. *Id.*, 184. In a response dated October 22, 2021, 1LSS distinguished Sartee from the claimed ferromagnetic shield because there was “no teaching or suggestion in the combination of ‘a ferromagnetic shield between the first and second [magnetic]

¹ For ease of reference, the claim element numbering from the petition is used.

² Elements 1.D, 1.E.1 and 1.E.2 were added later during the prosecution.

³ Sartee is U.S. Pat. Publ. No. 2014/0043748.

arrangements and the compartment’ as required by claim 2.” *Id.*, 196. For the same reason, 1LSS opposed the rejection of claim 6. *Id.* On November 2, 2021, the Examiner issued a final rejection of prosecution claims 1-11 based on Berkley-Baca alone and in combination with Gluck’s disclosure of a metallic plate shield. *Id.*, 203-221. On January 22, 2022, 1LSS responded to the final office and explained why those skilled in the art would not combine Baca with Berkley and introduced evidence of the commercial success. *Id.*, 241-42, 228-30. With regarding to prosecution claims 2 and 6, 1LSS explained “the [Berkley-Baca] combination [with Sartee and Gluck]...fails to teach or suggest a magnetic shield between a compartment defined by a body and sets of magnets exposing a magnetic field external to the body.” *Id.*, 243-244. With respect to prosecution claim 6, 1LSS further explained that “[t]he Office asserts that *Gluck* is ‘used solely for its disclosure of a magnetic shield in the shape of a plate.’ Thus, the Office feels relieve[d] of its responsibility to show the placement of the plate as claimed [i.e., between the magnets and compartment].” *Id.*

Following a conference with the Examiner on January 22, 2022 to discuss Berkley-Baca (EX1002, 251), 1LSS amended claims 1-11 to add that claim elements [1.E.1] and [1.E.2] and that the arrangements “concurrently” magnetically couple the wallet to the device. *Id.*, 263. 1LSS added new claim 12 reciting claim elements [1.P], [1.A], [1.B], [1.C], [1.F.1], and [1.F.2] and new limitation (claim element

[11.D]) reciting “wherein the first magnetic arrangement has at least one of a different orientation or a different geometric pattern than the second arrangement.” *Id.*, 264-65. On April 11, 2022, the Examiner again rejected claims 1-11 based, in part, on Berkley-Baca, alone or with U.S. Pat. Publ. No. 2019/0198212 (“Levy”). EX1002, 271-289. On July 11, 2022 1LSS filed its Notice of Appeal. EX1002, 319.

2. The Board Overrules Rejections Based on Berkley-Baca

In its opening brief, 1LSS pointed out that, with respect to claim 2, “nothing in Sartee that Appellant can find that is analogous to Appellants claimed structure, its compartment, or its shield.” EX1002, 330-331 (grounds 7, 8 and 11), 337. Similarly, with respect to claim 6, 1LSS explained that, in addition to the shortcomings of Sartee described in claim 2, “[Gluck’s] [shielding] plate is position on the front side of the compartment. That front side is the side away from the portable device ‘PD’” whereas “claim 6 [requires] a metallic plate **between the first arrangement and the compartment.**” *Id.* (emphasis in original). With respect to claim 12, 1LSS argued explained that “a mere change in the polarity arrangement is not a change in orientation or geometric pattern a circle is by definition orientation agnostic. Rearranging the pie pieces of a circle changes neither its orientation nor its geometric pattern.” *Id.*, 337. On November 30, 2022, the Examiner filed his Answer once again rejecting the claims based on, among other grounds, Berkley-Baca. *Id.* at 358, 369-379. 1LSS filed its reply on January 30, 2023. *Id.*, 391-409.

In its Decision dated July 14, 2023, the Board overruled the Examiner's rejections based on Berkley-Baca and art purporting to disclose the claimed ferromagnetic shield, metallic plate, and different orientation/geometric pattern limitations of prosecution claims 2, 6, and 12, respectively. With respect to claim 2, the Board explained that "[a]s can be seen in Appellant's Figures 14A and 14B, when assembled magnetic shields will be between magnets 20,119 and compartment 10." EX1002, 455. Conversely, the Board stated that "[t]he Examiner does not identify what component in Sartee corresponds to the recited 'compartment'" and, even assuming Sartee's tablet was the claimed "compartment," it did not show a magnetic shield between the magnets and the compartment. *Id.* For claim 6, the Board held that "[t]he Examiner does not cite any evidence from Gluck that would cure the deficiencies in the rejection of claim 2," *i.e.*, placing a shield/plate between the magnets and the compartment. *Id.*, 456. For claim 12, the Board overruled the rejection and found that "the Examiner fails to provide any reasoning as to how or why a person of ordinary skill in the art would have further modified the Berkley and Baca combination with the teachings of Levy to meet the second wherein clause [claim element [1.F.2]]." *Id.*, 459.

After the Board's reversal, 1LSS amended the claims to include the ferromagnetic shield of claim 2 into independent claim 1, and rewrote claim 6 as an independent claim incorporating the other limitations of independent claim 1.

EX1002, 463-65. The Examiner allowed the claims based on the Board's finding that the prior art did not disclose or render obvious the claims. *Id.*, 528.

B. The Petition's Prior Art

The Petition can be grouped into two sets of grounds: Grounds 1A-1E asserting obviousness based on the Berkley-Baca combination and Grounds 2A-2E, 3A-3F asserting obviousness based on folio-type phone cases. Pet., 10-11.

1. Berkley-Baca Prior Art

As noted, Berkley-Baca was extensively examined by the Patent Office. Indeed, Petitioner admits that “[t]he Baca reference played a central role during prosecution.” Pet., 5. Petitioner further concedes (as it must) that Berkley-Baca was not only relied upon by the Examiner to reject claims, but the Board also examined Berkley-Baca and held that the claims challenged in the Petition were patentable on the same, or substantially the same, arguments made here. *Id.*, 6, 7.

2. Folio-type Cases for Mobile Phones Prior Art

Grounds 2A-2E, 3A-3F are based on folio-type phone cases disclosed in Zhu (EX1008) and Kinshi (EX1010). However, as explained below, both are cumulative of Schmidt's folio-type phone case the Examiner considered. EX1002, 170-71.

III. THE PETITION SHOULD BE DENIED UNDER § 325(D)

Discretionary denial under §325(d) is analyzed under a two-part framework: “(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 [the] 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.” *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, 2020 WL 740292, *3–4 (P.T.A.B. Feb. 13, 2020) (precedential), citing *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 (P.T.A.B. Dec. 15, 2017).

A. The Same or Substantially the Same Art Or Arguments Previously Was Presented (*Becton, Dickinson* Factors (a), (b), (d))

Becton, Dickinson factors (a) and (b) take into account “the similarities and material differences between the asserted art and the prior art involved during examination” and “the cumulative nature of the asserted art and the prior art evaluated during examination.” *Becton, Dickinson*, Paper 8 at 17. These factors strongly weigh in favor of discretionary denial.

1. Berkley-Baca Was Considered

Berkley-Baca was considered not only by the Examiner, but also by the Board. Pet. at 6. (“Relevant here [in the Petition], 1LSS appealed to the Board certain rejections based on various combinations of Berkley and Baca with Levy, Sartee, or Gluck.”). The Examiner specifically rejected the prosecution claims based on Berkley-Baca no less than in three separate office actions. EX1002, 149-158, 203-221, and 271-289. 1LSS eventually appealed the Examiner’s rejection to the Board,

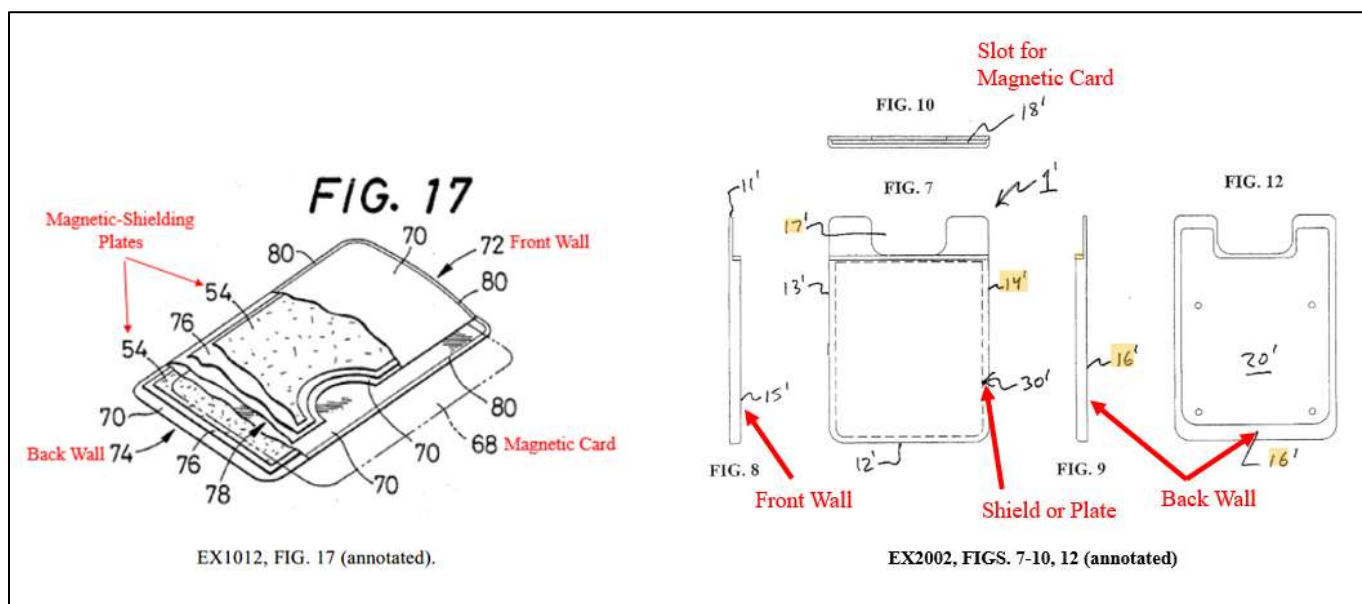
which resulted in the Board determining that certain claims were allowable over Berkley-Baca. *Id.*, 455-459 (reversing rejections on prosecution claims 2, 6 and 12). Indeed, the Petition repeatedly cites to the Board’s examination of the Berkley-Baca. *See e.g.*, Pet., 16-51 (citing over 50 times the Office’s prior consideration of Berkley-Baca). As such, there is no dispute that Petitioner’s main invalidity argument is based on the same prior art already considered by the Patent Office.

2. The Berkley-Baca Arguments Previously Were Considered

Becton, Dickinson factor (d) takes into account “the extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art.” *Becton, Dickinson*, Paper 8 at 17. The Petition not only relies on Berkley-Baca, but rather than asserting that the Examiner or Board materially erred by overlooking certain teachings in this art, the Petition adopts the same positions taken by the Examiner and Board. Pet., 7 (citing EX1002 at 459-60); *id.*, 22 (citing EX1002 at 447-49 for element [1.P]), *id.*, 23 (same for element [1.A]), *id.*, 24 (same for element [1.B]), *id.*, 26-27 (citing EX1002, 446, 448 for element [1.C]), *id.*, 28, 31 (citing EX1002, 447-49 for elements [1.E.1] and [1.E.2]), *id.*, 34-35 (same for elements [1.F.1] and [1.F.2]), *id.*, 36 (same for claim 2), *id.*, 37 (same for claim 3), *id.*, 38 (citing EX1002, 449 for claim 4), *id.*, 39 (same for claim 6), *id.*, 40-41 (citing EX1002, 283, 451 for claim 7), *id.*, 41 (citing EX1002, 284, 452 for claim 8), *id.*, 42-43 (citing EX1002, 448 for claim 11).

3. Goto is Cumulative of the Art of Record

The Petition asserts obviousness of claims 1-10 for all three grounds based on combinations with Goto (EX1012). Pet., 10-11. The Petition asserts that Goto discloses the claimed ferromagnetic shield and metallic plate. *See e.g.*, Pet., 28 (claim element [1.D]); *id.*, 36 (claim element [5.D]). While the Goto reference was not of record in the prosecution of the challenged claims, it is cumulative of art that was before the Office. The Petition relies on Goto's purported disclosure that "shielding is needed because data stored on magnetic cards may be negatively affected or become unusable when exposed to a magnetic field." Pet., 15 (citing EX1012, 2:14-21). However, this teaching already was before Examiner and Board. Like Goto, Gluck discloses that "the plate **30** protects or provides shielding for any cards placed in the holder." EX2002, ¶ [0049]. As shown below, Gluck also discloses substantially the same claimed structure as Goto. *Id.*, ¶ [0007].



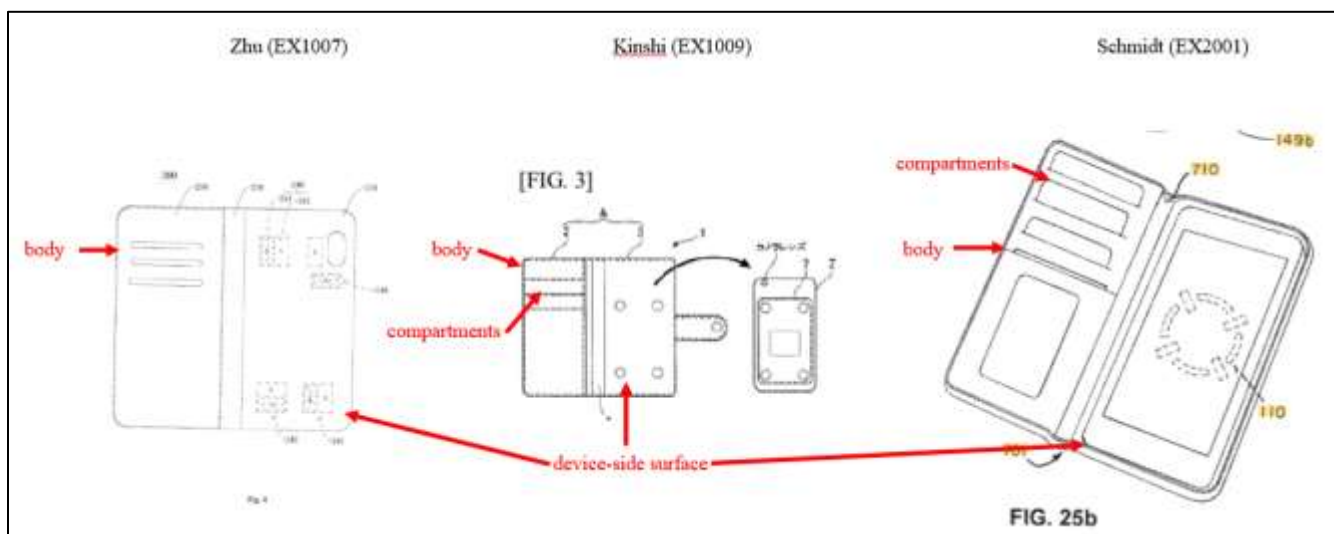
Goto also suffers from the same deficiencies as Sartee and Gluck. Specifically, the Board held that neither Sartee or Gluck disclosed a shield in between the claimed wallet's arrangement of magnets and its compartment. EX1002, 455-456. Goto similarly fails to disclose this feature. The Petition asserts that Goto discloses a shield to protect data stored on magnetic cards because it may be negatively affected or become unusable when exposed to a magnetic field. Pet., 15. But Goto itself does not disclose that its shield is placed between an arrangement of magnets and the compartment. In the portion cited in the Petition, Goto explains that "[w]hen an owner turns on a television set or stereo after having inserted [credit cards into] the holder, magnetic lines emitted from the television set or the stereo may seriously affect the memory stored in those cards kept in the holder." EX1012, 2:14-21. Thus, the magnetic field Goto is concerned with emanates from a TV or stereo and not from closely positioned magnets. Its teaching is less relevant than Gluck, which discloses shielding cards from the stronger magnetic fields caused by a nearby magnet. EX2002, ¶ [0049].⁴ Goto thus fails to introduce any new elements not already considered in Gluck. *See, Becton, Dickinson*, Paper 8 at 22 ("Petitioner has not articulated any substantive differences between the prior art [previously considered and that asserted]...nor do we discern any significant disparity...Thus,

⁴ The petition does not assert any error in overlooking Sartee or Gluck's disclosures.

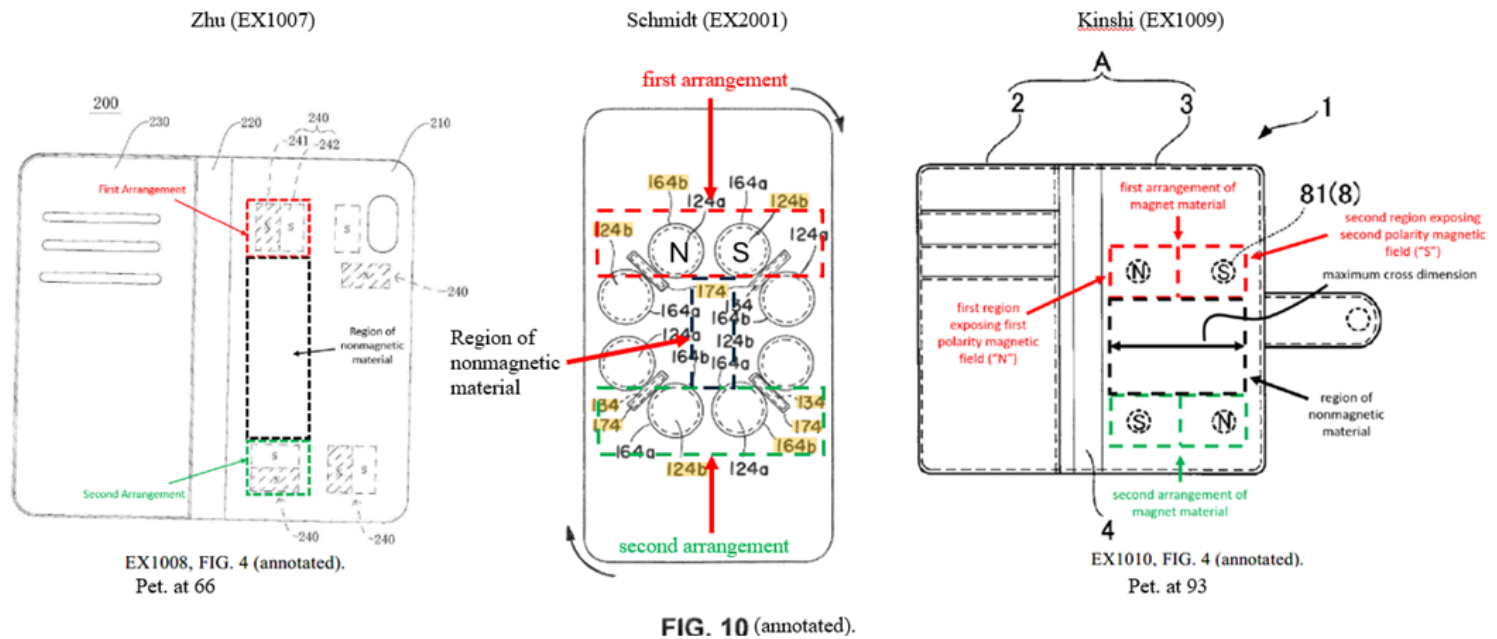
we understand these references are primarily cumulative in nature.”).

4. **Zhu and Kinshi Are Cumulative of the Prior Art of Record**

As noted, the Examiner previously considered Schmidt’s folio-type phone cases set forth in Grounds 2A-2E, 3A-3F. EX1002, 128. In fact, the Examiner expressly singled out Schmidt, along with Berkley and Baca, out as one of the 11 references he considered. *Id.* at 164. The Petition cites to Zhu and Kinshi for disclosing a wallet for attachment to a mobile device (claim element [1.P]). Pet., 58-59. Petitioner cites to Kinshi’s pockets in its cover as the compartment (claim element [1.A]). *Id.*, 59-60. As shown below, Schmidt discloses these features.



The Petition relies on Zhu-Kinshi for elements [1.B] and [1.C] and the nonmagnetic material region of elements [1.E.1] and [1.E.2]. *See e.g.*, Pet., 61-67. As shown below, Schmidt also discloses these features (“N” and “S” polarities annotated; *see e.g.*, EX2001, 7:54-59).



The Petition relies on the combination of Zhu-Kinshi with respect to the claim elements reciting that the first and second arrangement concurrently magnetically couple the wallet to the mobile device and cause the wallet to adopt a specific orientation (claim elements [1.F.1] and [1.F.2]). Pet., 69-70. But, according to the Petition, these features were disclosed in Berkley-Baca. Pet., 34-36; EX1002, 447-449. In sum, Zhu and Kinshi add nothing that was not already considered by the Examiner and Board, nor does the Petition assert that the Zhu-Kinshi art adds anything with regard to the claimed features.

5. The Secondary References Are Cumulative

The secondary references asserted in combination with the Berkley-Baca and Zhu/Kinshi—Cox, Haymond, Mitsuyama, Lauder—add nothing new, as each and every one of the combinations has a substantially similar equivalent that was already considered. As with Goto and Schmidt, Petitioner does not explain how this art is

not cumulative of the art relied upon by the Examiner and Board. Indeed, it reasonably appears that the art was substituted specifically to appear as though the Petition was based on “new” art and arguments in an attempt to circumvent denial under Section 325(d). *Compare* Pet., 37, 41 (Cox, EX1017) *with* EX1002, 151, 157, 449, 460 (Berkley-Baca) for claim 3; Pet., 38, 74, 77-80 (Lauder, EX1018) *with* EX1002, 274-75, 449 (Berkley-Baca) for claim 4; Pet., 45-46 (Haymond, EX1015) *with* EX1002, 456 (Yeo, Murphy, and Baker, EX2005-2007) for claim 9; Pet., 48-49 (Mitsuyama, Ex1016) *with* EX1002, 456-57 (Ippolito, EX2010) for claim 10.

B. Petitioner Fails to Demonstrate that the Office Erred (*Becton, Dickinson* Factors (c), (e), and (f))

Once the first part of the *Advanced Bionics* framework is satisfied, “a Petitioner must explain, with reference to Becton Dickinson factors (c), (e), and (f), how the Examiner erred in overlooking the prior art.” *Advanced Bionics*, Paper 6 at 20, 21. “Petitioner must demonstrate that the Examiner erred in the evaluation of the prior art, for example, by showing that the Examiner misapprehended or overlooked specific teachings in the relevant prior art such that the error by the Office was material to the patentability of the challenged claims.” *Id.* “[I]f the Examiner applied the asserted prior art or substantially the same prior art during examination, then a Petitioner must demonstrate that, for example, the previously presented art teaches the limitations of the challenged claims, and that no reasonable examiner could have found otherwise.” *Ecto World*, Paper 13 at 6. The Petition makes no such showing.

1. Petitioner Has Not Alleged Any Material Defect or Error

Wholly missing from the Petition are any allegations that the Examiner materially erred by overlooking certain teachings in the prior art considered. These deficiencies are fatal and a sufficient basis to determine that the Petitioner did not carry its burden as to *Advanced Bionics* step two. *E.g., Balt USA, LLC v. MicroVention, Inc.*, IPR2019-01259, 2021 WL 219251, at *10, *12 (Jan. 21, 2021) (Petitioner’s own analysis of prior art without reference to Examiner’s analysis insufficient to show material error). While the Petition briefly discussed the prosecution history of the ‘641 Patent (Pet. at 5-9), except in one instance, it does not raise any failure by the Office during examination of the references cited in the Petition.⁵ Despite 1LSS identifying Schmidt on an IDS at the outset of the prosecution and the Examiner singling it out as one of eleven “pertinent” pieces of prior art, the Petition does not mention Schmidt, much less explain how the Zhu and Kinshi references differ from Schmidt in ways relevant to the patentability of the claims. Nor is there any allegation that the Examiner erred by overlooking Schmidt.

⁵ For prosecution claim 12, the petition states that “[t]he Examiner’s reliance on Levy to reject this claim was a material error” because Baca purportedly shows the orientation limitation. Pet., 43. Aside from mentioning this single element, Petitioner fails to explain how the Examiner or Board materially erred with other elements.

The same deficiencies are true with Gluck. Despite its similar (arguably more relevant) disclosure of electromagnetic shields, the Petition does not allege that the Examiner erred in overlooking it. Instead, it merely substitutes an uncited, less relevant, reference in Goto. Finally, not only does the Petition fail to identify any error the Examiner or Board made regarding Berkley-Baca, but it actually adopts those positions for all but one claim. And, as noted, the inclusion of “new” secondary art in combination with Berkley-Baca is unavailing because Petitioner again fails to explain why the new prior art is materially different than the art of record or allege that the Examiner erred when overlooking that prior art.

In sum, Petitioner fails to “point out sufficiently how the examiner erred in [his] evaluation of the asserted prior art.” *Nespresso USA, Inc. v. K-Fee Sys. GmbH*, IPR2021-01223, 2022 WL 212376, *11 (P.T.A.B. Jan. 18, 2022) (“Petitioner bears the burden of showing that the Office erred.”). Having largely ignored the prosecution history, and having failed to identify any specific examiner error, Petitioner fails to meet its burden under *Advanced Bionics* step two. *Becton, Dickinson*, Paper 8 at 28 (“With only a nominally different combination of prior art and considering that Petitioner presents the same arguments as were meritoriously overcome by the Applicant during prosecution, based on our evaluation of the non-exclusive factors above, we are persuaded that exercising our discretion under 325(d) on this particular ground is appropriate.”).

2. The Board Correctly Determined that Berkley-Baca Combination Does Not Render Obvious Claims 1-12

As the Petition acknowledges, the Board found that the following three limitations were not taught by the Berkley-Baca combination: (1) “the ferromagnetic shield between the first and second arrangements and the compartment” of prosecution claim 2; (2) “the metallic plate between the first and second arrangements and the compartment” of prosecution claim 6; and (3) “wherein the first and second arrangement cause the wallet to adopt a specific orientation on the mobile device” prosecution claim 12. Pet., 7. These limitations were the basis for allowance of claim 1-12. EX1002, 528 (“per the Board of Patent Appeals and Interference’s decision of 7/14/2023, the current art of record does not disclose or render obvious all of the limitations of the current claims.”). More specifically, the Board found that neither the shield of Sartee or plate of Gluck was positioned between the first and second arrangements and the compartment. EX1002, 454-56. Petitioner attempts to relitigate these same arguments by using “new” prior art, but it suffers from the same deficiency because Goto does not (in fact, could not) disclose positioning a ferromagnetic shield or metallic plate between the first and second arrangement of magnets and the compartment. EX1012, 2:14-21. With regard to prosecution claim 12, the Board held that “the Examiner fails to provide any reasoning as to how or why a person of ordinary skill in the art would have further modified the Berkley and Baca combination with the teachings of Levy to

meet the second wherein clause.” EX1002, 459. Levy was cited because Berkley and Baca do not disclose first and second arrangements of magnets that cause the wallet to adopt a specific orientation. While the Petition asserts that “it was thus the mapping in the examiner’s rejection, not shortcomings of the prior art, that led to the Board to reverse the rejection of claim 12” (Pet., 8), the Board’s decision makes no such finding. In fact, the Board did not specifically address this second wherein clause with respect to Baca. EX1002, 449. Importantly, the Board’s finding regarding claim 12 shows that a reasonable examiner *could have found* that Berkley and Baca do *not* teach the “specific orientation” limitation. *Ecto World*, Paper 13 at 6 (where the examiner applied the asserted art, “a Petitioner must demonstrate that...the previously presented art teaches the limitations of the challenged claims, and that no reasonable examiner could have found otherwise.”). Petitioner does not even try to make this required showing.

IV. THE PETITION SHOULD BE DENIED UNDER § 314(A)

The Director applies *Fintiv*’s six-factor balancing test to determine whether discretionary denial is appropriate. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 6 (P.T.A.B. Mar. 20, 2020) (precedential).

A. Existence of a Stay (*Fintiv* Factor 1)

The first *Fintiv* factor weighs in favor of denial. Despite Petitioner’s motion to stay litigation filed on September 10, 2025, to date the Court has not given any

indication that it intends to grant the stay motion. Thus, this factor favors denial.

B. Proximity of the Trial Date to FWD (*Fintiv* Factor 2)

The second *Fintiv* factor also weighs in favor of denial. The proposed trial date is November 3, 2026. EX2003. If instituted, a FWD must issue by February 7, 2027. Thus, a FWD will issue *three months or more after the proposed trial date*.

C. Parties' Investment in the Parallel Proceeding (*Fintiv* Factor 3)

The parties already have exchanged written discovery and, by the institution date, additional work is expected to have been completed. EX2003, 1; EX2004. Petitioner waited 17 months to file its Petition after notice of its infringement and almost 10 months after 1LSS filed suit. Petitioner's delay in filing the Petition supports discretionary denial. This factor thus favors denial of institution.

D. Overlap of Issues (*Fintiv* Factor 4)

The fourth *Fintiv* factor also weighs in favor of denying institution. The validity of the '641 Patent is central to both this dispute and the parallel litigation. In the litigation, Petitioner will likely serve invalidity contentions. EX2003, 16. It would be wasteful and inefficient to proceed here given the overlap. Also, while Petitioner filed a *Sotera* stipulation, on February 28, 2025 the Office effectively withdrew its practice granting institution where a stipulation has been filed.

E. Identity of Parties in Both Proceedings (*Fintiv* Factor 5)

The fifth *Fintiv* factor weighs in favor of discretionary denial because the

parties here are the same as the parties in the litigation. *Fintiv II*, 15.

F. Other Circumstances Warrant Denying Institution (*Fintiv* Factor 6)

The sixth *Fintiv* factor weighs in favor of discretionary denial because the Office previously considered the same or substantially the same prior art and arguments and allowed the claims over that prior art. Moreover, the merits of the Petition are weak. As noted, the Petition makes the same arguments that the Board already rejected. Petitioner's "new" prior art also suffers from the same deficiencies the Board identified in the art of record and over which the claims were allowed.

V. CONCLUSION

Because the petition is nothing more than an attempt to relitigate invalidity using the same art and arguments, discretionary denial under Section 325(d) is appropriate. The *Fintiv* factors also show that denial is warranted under Section 314(a). Accordingly, Patent Owner respectfully requests that the Board exercise its discretion to deny institution.

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CERTIFICATE OF SERVICE

I certify that the **PATENT OWNER'S CORRECTED DISCRETIONARY DENIAL BRIEF** in connection with *Inter Partes* Review Case IPR2025-01180 and exhibits 2001-2007 were served on October 14, 2025 by electronic mail to:

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