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 PRELIMINARY RESPONSE

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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 *1LSS Inc. v. Apple Inc.,* Case No. 24-cv-08769-SRM-JP
EX2004	Stipulated Protective Order [Doc. 49] in *1LSS Inc. v. Apple Inc.,* 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

This *Inter Partes* Review should be denied because Petitioner asks the Board to consider arguments the Examiner made during prosecution—arguments the Board itself already rejected. After extensive prosecution spanning multiple office actions and a successful appeal, the Patent Trial and Appeal Board allowed claims 1-11 of U.S. Patent No. 11,864,641 (the "'641 Patent"), recognizing their patentability over the very prior art combinations now recycled in this Petition.

Petitioner's strategy is transparent: combine previously considered art (Berkley and Baca) or cumulative "new" art (Zhu and Kinshi—disclosing functionally identical folio-type phone cases previously considered) with art functionally identical to art previously considered for magnetic shielding, hoping such superficial differences will yield different results. They will not.

The Board has already determined that these combinations fail to render the claims obvious. During prosecution, the Board specifically found that prior art shielding disclosures like those in Sartee and Gluck—of which Gluck is structurally identical to the cited magnetic shielding plates of Goto—do not disclose the claimed ferromagnetic shield or metallic plate positioned between a wallet's magnetic arrangement(s) and its compartment. In allowing claims 1-10, the Board recognized a critical distinction: shields placed between a card holder and external magnetic fields (as in Goto, Sartee, and Gluck) are fundamentally different from shields placed

within a wallet between embedded magnetic arrangements and a card-holding compartment (as claimed in the '641 Patent). With regard to claim 11's limitation of magnetic arrangements having different orientations or different geometric patterns, Petitioner wrongly conflates magnetic polarity differences with the claimed different orientation or geometric pattern, ignoring the express distinction Patent Owner successfully drew during prosecution.

Having extensively examined these claims over the same and cumulative prior art, and having affirmed their patentability through Board review, the Board should not dedicate further resources examining arguments it already considered and rejected. The Petition presents no new evidence or arguments warranting a different conclusion. For these reasons, institution should be denied.

II. BACKGROUND

A. Overview of the '641 Patent

The '641 Patent relates to a mobile device accessory (*e.g.,* wallet) for attachment to a mobile device. EX1001, Abstract. As illustrated below, the '641 Patent discloses a wallet (100) having a first arrangement of magnetic material (not shown but corresponding, for example, to top horizontal device magnets 210, FIG. 16A) with a first region exposing a first polarity magnetic field at the device side surface and a second adjacent region exposing an opposite polarity magnetic field at the device side surface. *Id*. The wallet (100) also has a second arrangement of

magnetic material (not shown but corresponding, for example, to vertical side device magnets of FIG. 16A) with a first region exposing a first polarity magnetic field at the device side surface and a second adjacent region exposing an opposite polarity magnetic field at the device side surface.

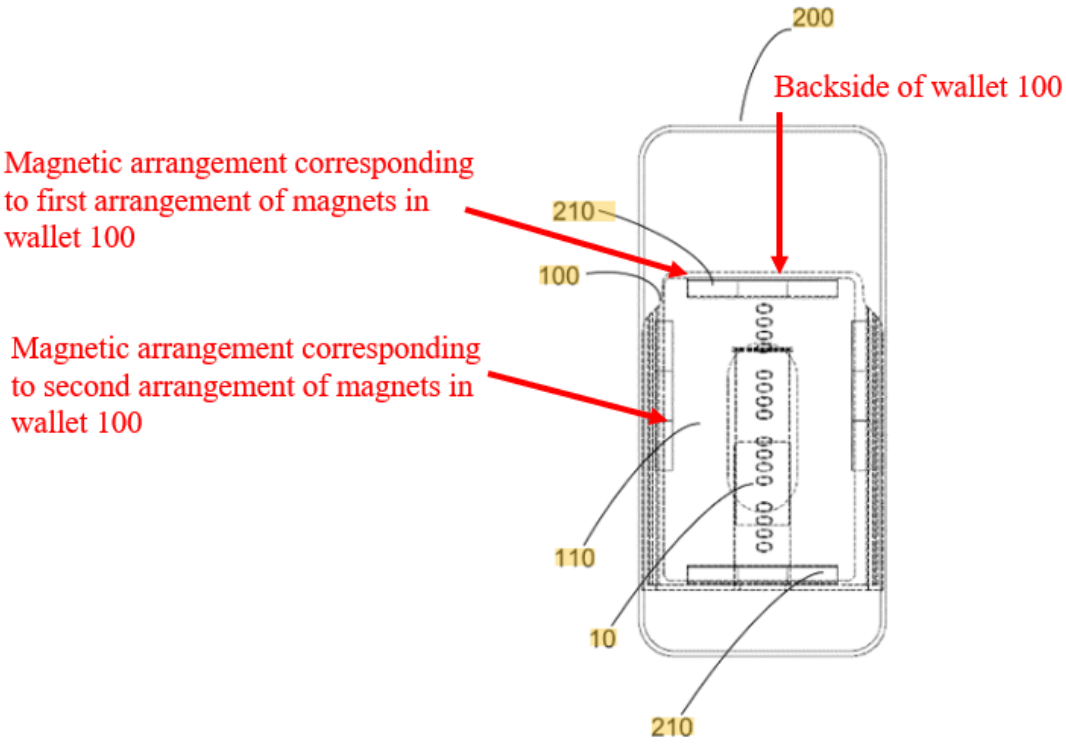


FIG. 16A

Collectively, the first and second arrangements, in use, magnetically couple the wallet (100) to a mobile device case (200) and cause the wallet (100) to adopt a specific orientation on the mobile device case (200). *Id*.

As shown below, the wallet (100) has a body defining a compartment for storing any number of items (*e.g.,* credit cards, cash or ID) formed between the front (120, FIG. 8B) and back layers (110, FIG. 8A) of the wallet (100). *Id*., 3:1-4.

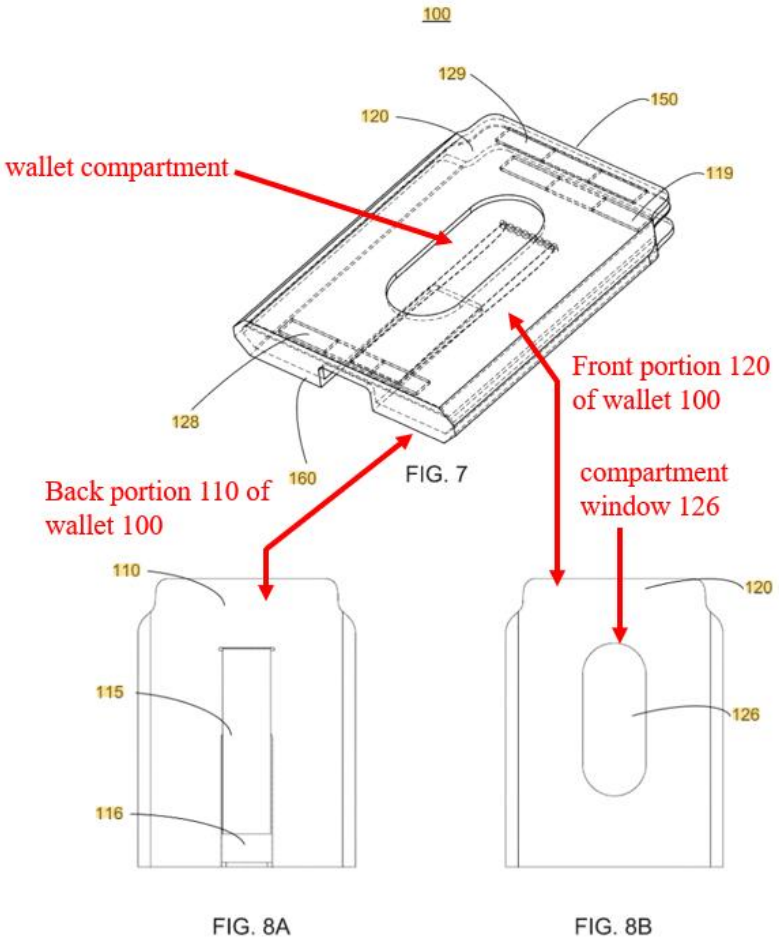


FIG. 7

FIG. 8A

FIG. 8B

As illustrated below, the wallet (100) includes a ferromagnetic shield or metallic plate (*see e.g.,* shields 113 or 123, FIG. 3) between the wallet's magnet arrangements (119, 128 and 129) and its compartment to protect magnetically sensitive credit cards from exposure to the magnets' magnetic fields. *Id*., 8:11-14.

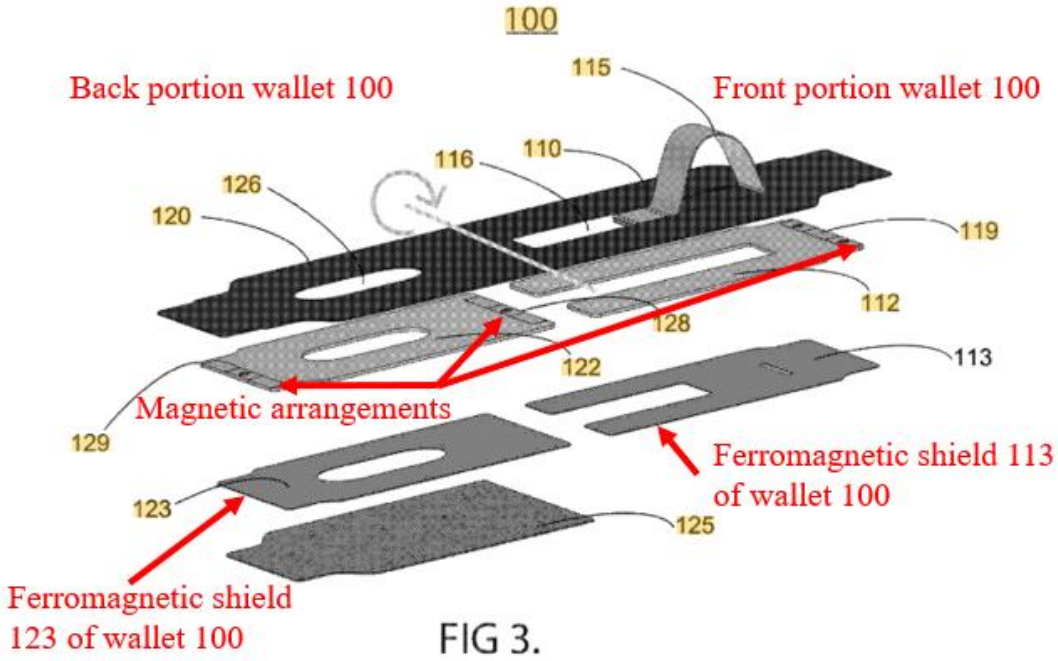


FIG 3.

B. The '641 Patent Claims

The claims of the '641 patent are directed to a wallet for attachment to a mobile device. Claims 1-10 claim include a wallet having a first arrangement of magnetic material with a first region exposing a first polarity magnetic field at the device side surface and a second adjacent region exposing an opposite polarity magnetic field. EX1001, 20:56-60. The claimed wallet further includes a second arrangement of magnetic material, featuring a first region exposing a first polarity magnetic field at the device side surface and a second adjacent region exposing an opposite polarity magnetic field. *Id*., 20:61-65. Claims 1-4, 6-10 further include a ferromagnetic shield positioned between the first and second magnetic arrangements and the compartment. *Id*., 20:66-67. Claim 5 recites a metallic plate, rather than a

ferromagnetic shield positioned between the first magnetic arrangement and the compartment. *Id*., 21:36-37. In the wallet of claims 1-10, the first and second arrangements are physically separated on the wallet by a region of nonmagnetic material, which has a maximum cross dimension greater than the distance between any two immediately adjacent first polarity and opposite polarity regions in either the first or second arrangement. *Id*., 21:1-7. When in use, the first and second arrangements concurrently magnetically couple the wallet to a mobile device and cause the wallet to adopt a specific orientation on the device. *Id*., 21:8-12.

Claim 11 also recites a wallet for attachment to a mobile device. EX1001, 21:22. However, the wallet of claim 11 does not include the ferromagnetic shield, metallic plate or region of nonmagnetic material limitations, but instead recites that the first magnetic arrangement has at least one of a different orientation or a different geometric pattern than the second arrangement. *Id*., 22:35-37.

C. The Petition's Reliance On Previously Considered Art

As summarized in Patent Owner's Discretionary Denial Brief, the challenged claims were allowed after an extensive prosecution, including several office actions and an appeal to the Board. *See e.g.,* Paper 9, 2-7. Notably, the prosecution included the same prior art upon which the petition is based as well as prior art that discloses the same features as the prior art relied upon in the petition, rendering it cumulative.

Berkley[1] and Baca,[2] the combination of which is the basis of Petition Grounds 1A-1E, were examined extensively, first by the Examiner and later by the Board, during the prosecution of the application that resulted in the '641 patent. *See e.g.,* Paper 9, 8-14; 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 the combination of Berkley and Baca no less than in three separate office actions. EX1002, 149-158, 203-221, and 271-289. The Board overruled the Examiner's rejections based on the combination of Berkley-Baca and prior art purporting to disclose the claimed ferromagnetic shield (prosecution claim 2), a metallic plate (prosecution claim 6), and the first magnetic arrangement has at least one of a different orientation or a different geometric pattern than the second arrangement (prosecution claim 12). EX1002, 455-459.

1. Berkley

As shown below, Berkley discloses a cosmetic wallet compact having a first casing 12 designed to hold credit cards, identification cards, and folded bills in its interior cavity and a second casing that contains a palette of color cosmetics and a

[1] Berkley (EX1013) is U.S. Pat. Publ. No. 2017/0354229.

[2] Baca (EX1006) is U.S. Pat. Publ. No. 2016/0260532.

mirror panel in its interior 26. The wallet is attached to a handheld device using a hook and loop fastener strips. EX1013, Abstract. Berkley's cosmetic wallet compact is designed to be attached to a handheld device using a single set of mating hook and loop fastener strips, measuring approximately 60 mm × 19 mm, placed in the center of the compact. EX1013, ¶¶ 27-29; FIG. 6 (annotated below). Berkley discloses that other "fixation options include microsuction tape, strong hold adhesive tape, or a magnet placed on the base of the compact, which enables it to adhere to corresponding magnets attached to the smartphone by the user." *Id*.

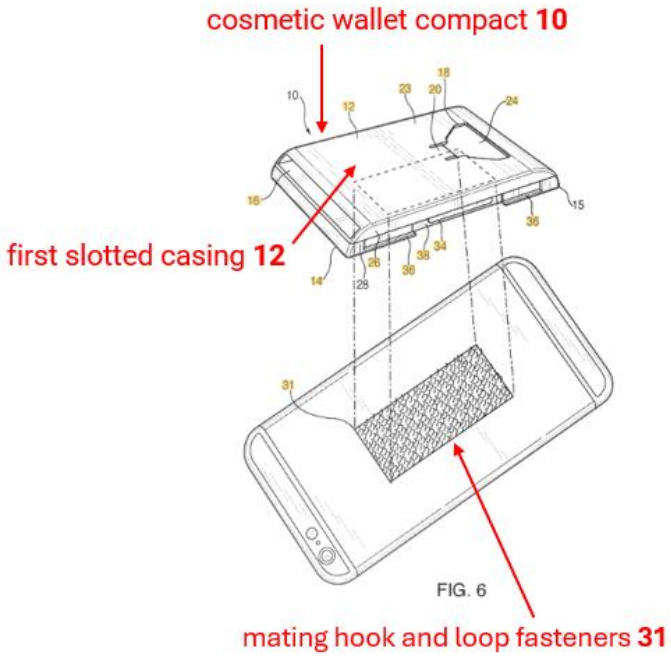


FIG. 6

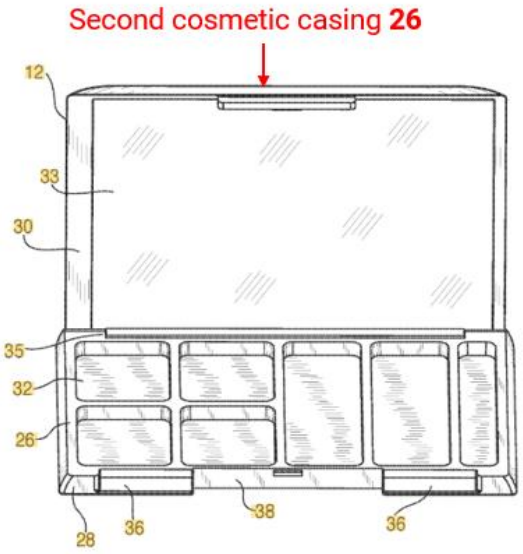


FIG. 7

2. Baca

Baca discloses a mounting system that purports to address the need for "a self-aligning mounting system for rapidly mounting and unmounting electronic display

devices to a variety of different types of mounting surfaces without adding significant bulk to the electronic display device or to the mounting surface." EX1006, ¶ [0005]. As shown below, Baca's mounting system includes a surface-side attachment (*e.g..,* a linear array of magnets) affixed to a surface and a device-side attachment coupled to the electronic display device. *Id*., Abstract. Both attachments incorporate multiple magnets, with at least one magnet having an outwardly-facing north pole and at least one magnet having an outwardly-facing south pole per attachment, enabling self-alignment when mounting the device to the surface. *Id*. Additionally, the surface-side and device-side attachments may include mechanical features and/or high friction faces to resist slipping and shear forces when the attachments are coupled together. *Id*.

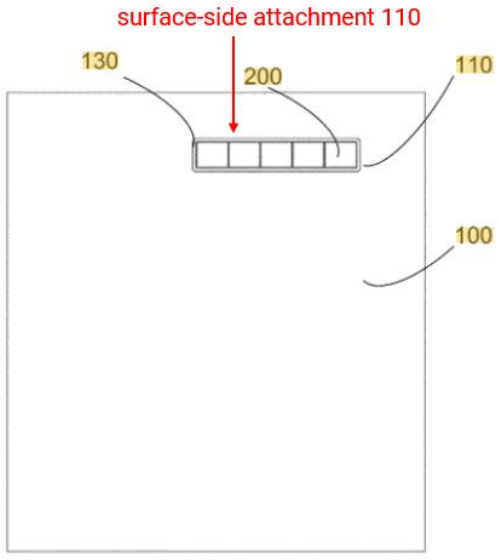


FIG. 1F

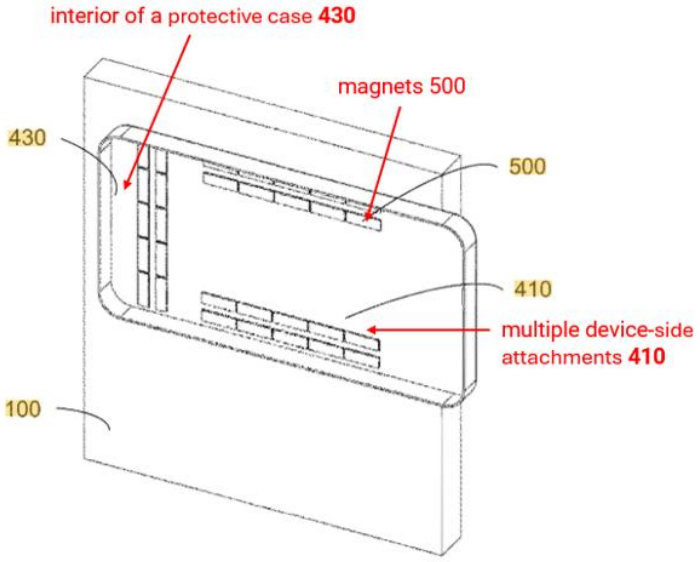


FIG. 3C

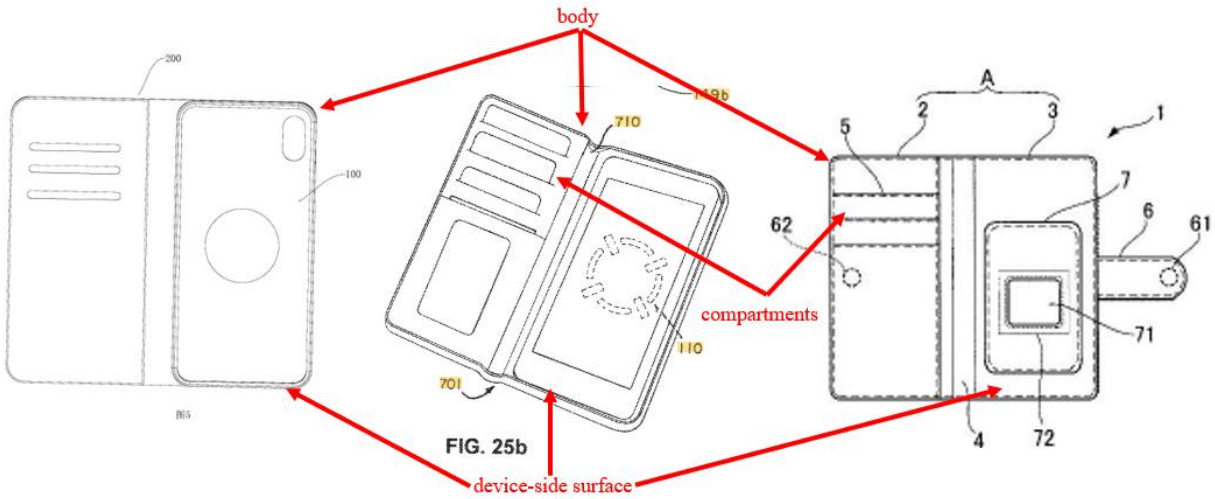
D. The Petition's Reliance On "New" Art

Grounds 2A-2E and 3A-3F asserts obviousness based on folio-type phone cases disclosed in Zhu[3] and Kinshi.[4] Pet., 10-11. While Zhu and Kinshi were not of record during the prosecution, as shown below, they are cumulative the Schmidt prior art folio-type phone case (EX2001) expressly considered by the Examiner, over which the claims were allowed.[5] *See also* Paper 9 at 12-13.

[3] Zhu is Chinese patent publication CN108023992 (EX1008) (purported English translation of EX1007).

[4] Kinshi is Japanese patent publication JP3200923U (EX1010) (purported English translation of EX1009).

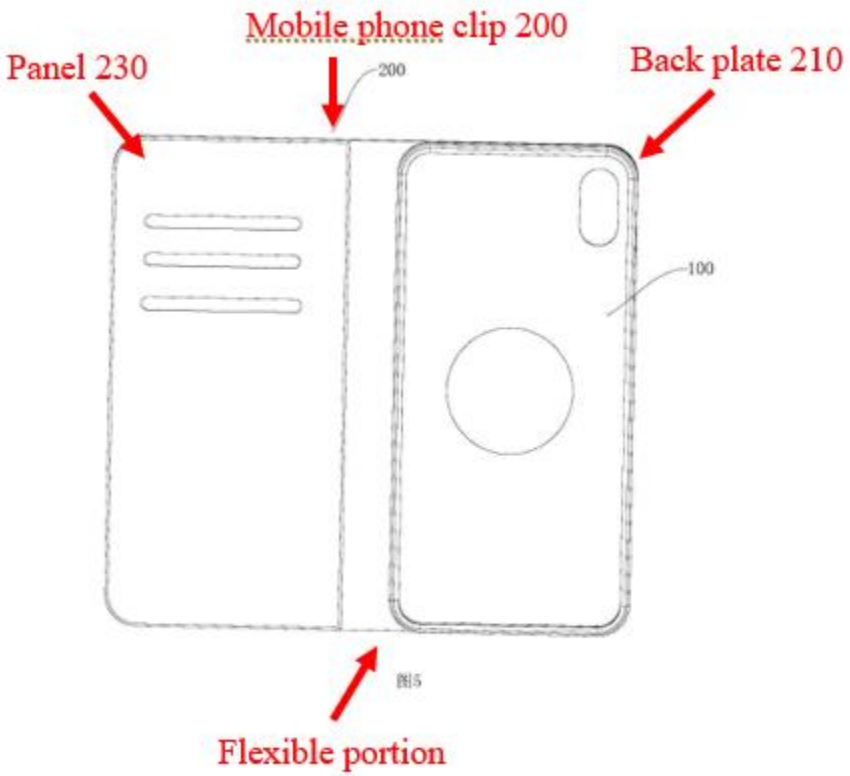
[5] During prosecution 1LSS identified Schmidt in an Information Disclosure Statement ("IDS"). EX1002 at 128 (IDS citation no. 2). The Examiner subsequently singled out Schmidt, along with Berkley and Baca, out as one of the 11 references he considered in an Office Action dated July 26, 2021. *Id*. at 164.



Zhu (EX1007, FIG. 5) Schmidt (EX2001, FIG. 25b) Kinshi (EX1009, FIG. 1)

1. Zhu

Zhu discloses a mobile phone clip as an improvement upon conventional mobile phone cases. "A mobile phone case can only protect the back and sides of a mobile phone but cannot protect the screen of the mobile phone. However, a mobile phone clip includes a back plate and a panel, and the back plate and one side of the panel are connected by a flexible connecting portion, so that the panel can be easily covered to the mobile phone screen and opened from the mobile phone screen, which can effectively protect the screen of the mobile phone." EX1007, ¶ 2. Zhu further discloses that a mobile phone case is placed on the back plate of the mobile phone clip, wherein each magnet in the magnet groups in the phone clip interacts with a corresponding magnet in a corresponding magnet group on the phone case to accurately position and fix the mobile phone clip to the phone case. EX1007, ¶ 15.



Zhu (EX1007, FIG. 5)

The Petition relies on Zhu's arrangement of magnets. Pet. at 66. As shown below, Schmidt also discloses the same features. EX2001, FIG. 10 (annotated with "N" and "S" polarities on magnets 164a and 164b); *see also* EX2001 at 7:54-59.

Schmidt (EX2001)

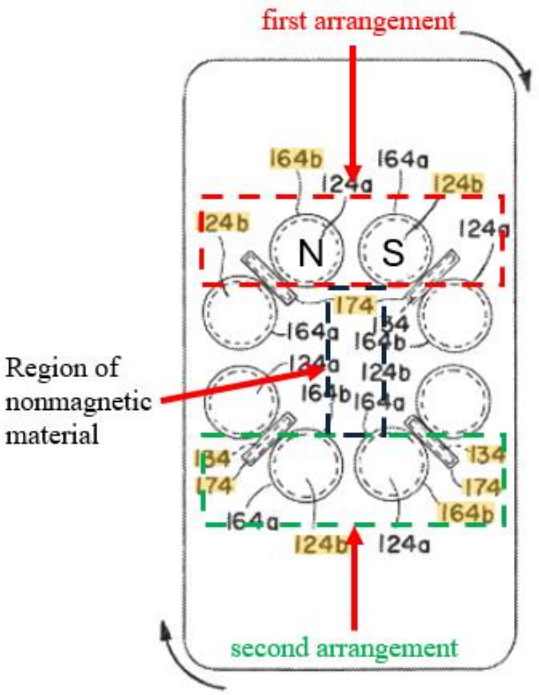


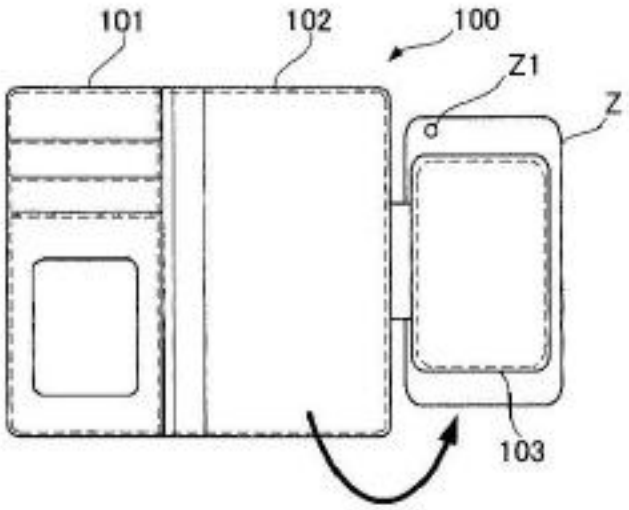
FIG. 10 (annotated).

2. Kinshi

Like Zhu, Kinshi discloses a folio-type mobile phone case. Kinshi's mobile phone case purports to address the problem that "ease of handling is extremely poor when using various functions, such as the camera function, of the mobile phone housed in the case…because the lens of the camera is usually provided on the rear side of the mobile phone, …[which] presents problems such as the cover piece 101, the base piece 102, the belt piece 104 provided on the base piece 102, etc., getting in the way and making it harder to take photos, or the cover piece 101 flipping in front of the camera lens Z1 against the user's intention." EX1010, ¶ 4; FIG. 7

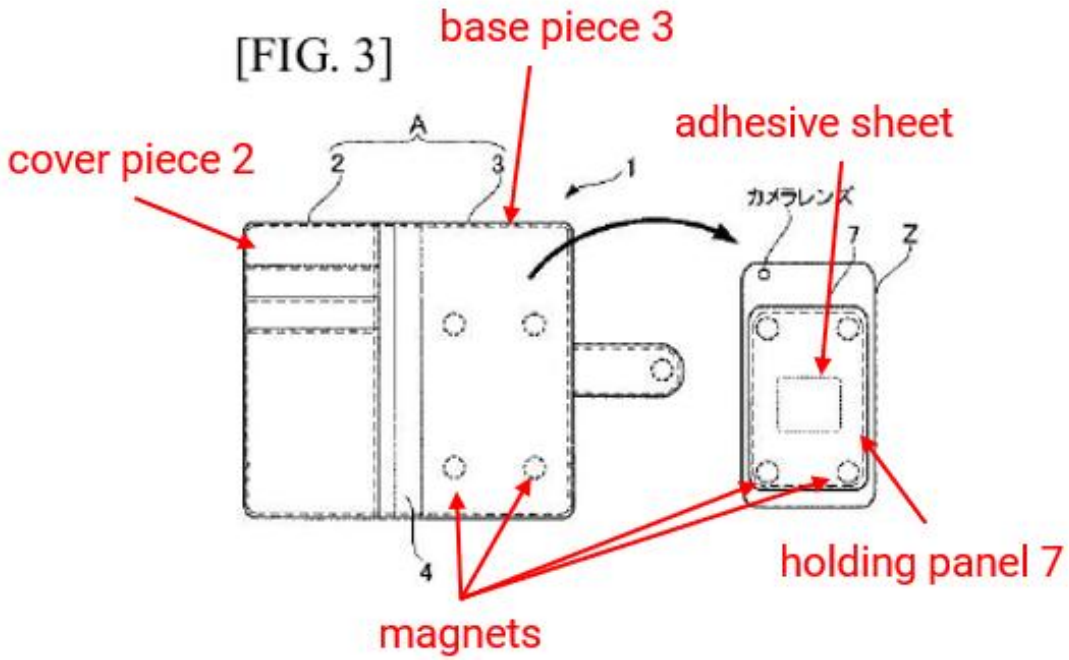
(illustrating problem with conventional mobile phone case requiring phone being flipped so that camera lens Z1 is not covered by base piece 102).

[FIG. 7]



As shown below, Kinshi purports to solve this problem with a mobile phone case having a cover piece and a base piece connected horizontally, the cover piece being folded over to cover and protect a mobile phone held on one side of the base piece. *Id*., ¶ 6. The case includes a holding panel on which the mobile phone is held; and securing means for removably securing the holding panel and the base piece. The securing means is a base-side securing part provided on the base and a holding-panel-side securing part provided on the holding panel, and the base-side securing part and the holding-panel-side securing part are both magnets. *Id*. Kinshi discloses an adhesive sheet is preferably layered on the holding panel to easily and firmly bond

and secure the mobile phone with the holding panel and effectively keep the mobile phone held in the mobile phone case from falling out of the case. *Id.*, ¶ 11.



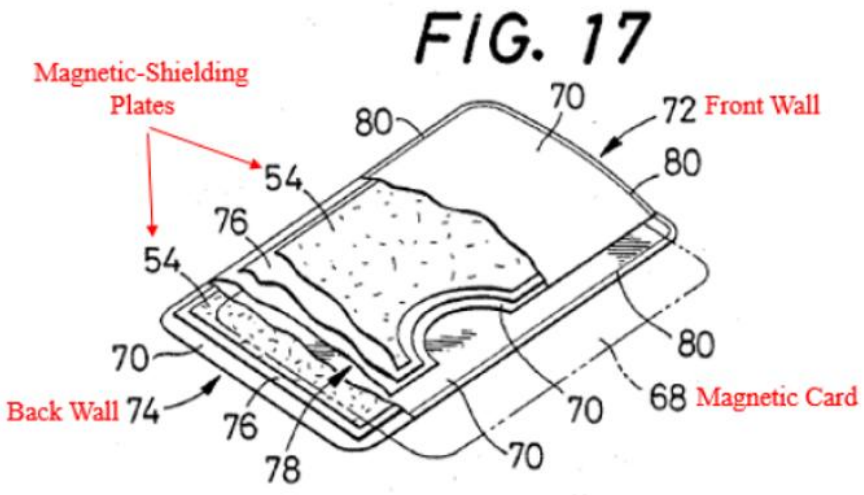
The Petition also relies on Kinshi's arrangement of magnets. Pet. at 93. As noted, Schmidt also discloses the same features.

3. Goto

All three primary grounds of the Petition asserts obviousness of claims 1-10 based on combinations with Goto.[6] Pet. at 10-11. The Petition asserts that Goto discloses the claimed ferromagnetic shield and metallic plate. *See e.g.,* Pet. at 28 (claim element [1.D]); *id.* at 36 (claim element [5.D]). Goto purports to address the problem at that time (1984) with conventional credit card holders in that "[w]hen an

[6] Goto is U.S. Patent No. 4,647,714 (EX1012).

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. Similarly, Goto explains the purported problem with magnetic media holders (*e.g.*, for floppy disks) in that "when electromagnetic waves or magnetism emitted from a computer or its related instruments directly hit the essential part of other computers, operation of the hit computer is hindered; and when a floppy disc as a memory of the magnetic disc is affected by magnetism, the stored information is disturbed and even rendered useless." *Id*., 1:38-44. Thus, the magnetic fields Goto is concerned with emanate from a TV, stereo and computer. To address this purported problem, as shown in FIG. 17 below, Goto discloses "magnetic-card holders; magnetic-card protection cases or boxes; envelopes and containers for keeping and transporting magnetic recording media" "formed of a front wall 72 and a rear wall 74, respectively made of a plastic sheet 70, into a bag-like shape. Inside each of the front wall 72 and rear wall 74, a magnetic shielding plate 54, with a size slightly smaller than the plane of those walls." EX1012, 12:9-19; FIG. 17.



EX1012, FIG. 17 (annotated).

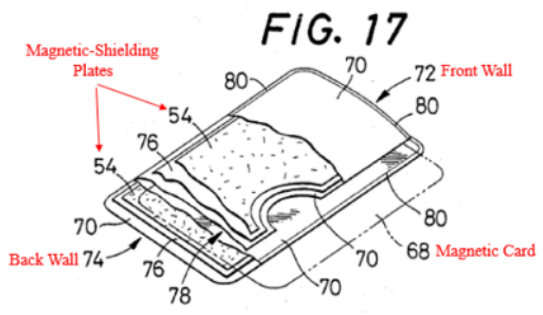
During prosecution of the '641 Patent, the Board expressly considered prior art card holders with structures substantially identical to Goto's and found them wanting. In particular, the Board considered, and rejected, both Sartee[7] and Gluck[8] (EX2002) in connection with the ferromagnetic shield and metallic plate limitations. EX1002 at 455-456. Like Goto, Gluck discloses "a card holder for a portable device comprising a main opening or slot for receiving at least one card, a back side securable to the portable device, a front wall, and a member or plate comprising at least one material that provides RF and/or RFID shielding and facilitates attachment to an external mount or magnetic surface." EX2002, ¶ 7; *see also id.*, ¶ 3 (describing

[7] Sartee is U.S. Pat. Publ. No. 2014/0043748.

[8] Gluck is U.S. Pat. Publ. No. 2017/0196331.

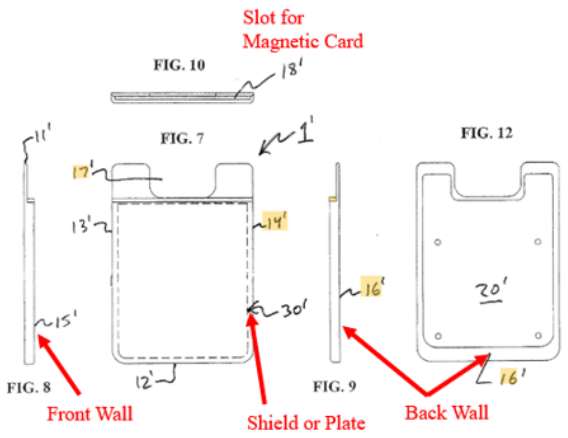
"a card holder for a portable device such as a smart phone in which the card holder includes RF and/or RFID shielding," with the shield placed on the *outside* of the card holder, *i.e.*, opposite the device side.). Gluck further discloses that when the holder is magnetically attached to a magnetic mount head, "the plate 30 protects or provides shielding for any cards placed in the holder." *Id.*, ¶ 49. As shown in the comparison below, Gluck's card holder has substantially the same structure as the card holder of Goto (*i.e.,* front and back wall, slot for magnetic cards, and externally facing shield).

Goto (EX1012)



EX1012, FIG. 17 (annotated).

Gluck (EX2002)



EX2002, FIGS. 7-10, 12 (annotated)

III. THE LEVEL OF ORDINARY SKILL IN THE ART

A person of ordinary skill in the art at the time of the inventions in the '641 Patent would have had a bachelor's degree in mechanical engineering or a related field, and at least two years of experience in product design employing magnets. An

individual with less technical education but more experience, or vice versa, could also qualify as a person of ordinary skill in the art.[9]

[9] It is noteworthy that Petitioner's expert's expertise and experience is in the field of electrical engineering. EX1003, ¶¶ 5-7. Petitioner's expert states that his work experience consists of "(1) coupling between transmitter and receiver coils from the standpoint of efficiency and magnetic-field exposure to users, in particular for the Power Matters Alliance; (2) coupling of interrogators and transponder coils in printed magnetic cards; and (3) integrated-circuit and coil failures due to wear, dimensional changes, and triboelectric charging" and "testifying regarding resonant and inductive wireless-power transfer" as well as "consult[ing] for industry regarding coil design, RFID and near-field communication (NFC) integrated circuits, modulation methods, and on-metal RFID tags." *Id*., ¶ 10. Consist with his electrical engineering background, Petition appears to have used this expert in a case involving coils, adhesives, magnetic layers, and magnetic alignment structures for wireless charger. *Id*., ¶ 12. As such, Petitioner's expert in not a POSA in the field of the '641 Patent and his testimony should be given little, if any, weight. *CaptionCall, L.L.C. v. Ultratec, Inc*., IPR2015-00636, Paper 97 at 11 (P.T.A.B. Sept. 7, 2016) (holding that "to the extent [an expert] offers testimony outside her area of

IV. CLAIM CONSTRUCTION

Claims in a post-grant review are construed using the same claim construction standard as in a civil action. 37 C.F.R. § 42.100(b). Under this standard, claims terms are generally given their ordinary and customary meaning as understood by a person of ordinary skill in the art ("POSA") at the time of the invention. *Phillips v. AWH Corp.,* 415 F.3d 1303, 1312-13 (Fed. Cir. 2005) (en banc). The POSA is deemed to read the claim term in the context of the entire patent, including the specification and prosecution history. *Id. at* 1313-1316. Courts depart from the plain and ordinary meaning in only two exceptions: (1) when a patentee acts as its own lexicographer, and (2) when the patentee disavows the full scope of the claim term in the specification or during prosecution. *Hill-Rom Servs. v. Stryker Corp.,* 755 F.3d 1367, 1371 (Fed. Cir. 2014). Here, as is relevant to the Petition, except for the term "wallet" (discussed below) the terms of the '641 Patent are used in their ordinary and customary manner.

The '641 Patent defines "wallet" "to mean any apparatus for holding at least one of a credit card, cash, identification, a check, a badge, a picture, a key, a piece of paper, a coupon, business cards, and combinations thereof. While the wallet

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expertise, we have 'broad discretion to accord those particular statements less weight.'").

described herein is intended for containing the aforementioned items, it should be understood that a wallet is also suitable for containing any objects of similar size and dimensions as these items." EX1001, 7:3-15.

V. PETITIONER'S PROPOSED OBVIOUSNESS COMBINATIONS

Of the sixteen individuals grounds asserted, the Petition relies on combinations of three or four prior art references for thirteen of them. The obviousness arguments can be grouped into two sets of grounds: Grounds 1A-1E asserting obviousness based on the combination of Berkley's cosmetic wallet with Baca's mounting system and Grounds 2A-2E and 3A-3F asserting obviousness based on Zhu and Kinshi's folio-type phone cases. Pet. at 10-11. Except for two grounds related to claim 11, all grounds related to claims 1-10 are further in combination with Goto's magnetic card holder.

In addition, Grounds 1B, 1D and 1E relating to Claims 3, 9, and 10, respectively, assert obviousness based on the combination of Berkley, Baca, and Goto with Cox, Haymond and Mitsuyama, respectively. Grounds 2B-2E relating to Claims 3, 4, 9, and 10, respectively, assert obvious based on the combination of Zhu, Kinshi, and Goto with Cox, Lauder, Haymond and Mitsuyama, respectively. Grounds 3C-3F for Claims 3, 4, 9, and 10, respectively, assert obvious based on the combination of Kinshi and Goto with Cox, Lauder, Haymond and Mitsuyama, respectively. Pet., 10-11.

A. Grounds 1A-1E

With respect to independent claims 1, 5 and 11 of Grounds 1A-1E, the Petition cites to Berkley's cosmetic wallet for the claimed wallet recited in the preamble [1.P/5.P/11.P][10] and body defining a compartment and having a device side surface [1.A/5.A/11.A]. Pet, 23-24. Because Berkley's cosmetic wallet lacks any disclosure of using magnetic arrangements as recited in elements [1.B/5.B/11.B] and [1.C/5.C/11.C], a ferromagnetic shield [1.D] or metallic plate between the first and second arrangements and the compartment [5.D], that such magnetic arrangements are physically separated on the wallet by a region of nonmagnetic material [1.E.1/5.E.1], that the region of nonmagnetic material has a maximum cross dimension greater than a distance between any two immediately adjacent first polarity and opposite polarity regions in the first or second arrangement [1.E.2/5.E.2], that the first and second arrangements, in use, concurrently magnetically couple the wallet to a mobile device [1.F.1/5.F.1/11.E.1], and that the first and second arrangements cause the wallet to adopt a specific orientation on the mobile device [1.F.2/5.F.2/11.E.2], the Petition combines Berkley's cosmetic wallet with Baca's mounting system for these elements, except for the ferromagnetic shield/metallic plate arranged between the first and second magnetic arrangements

[10] For convenience, Petitioner's claim element designations are used.

and the compartment [1.D/5.D]. Pet. at 24-36. For elements 1.D/5.D, the Petition combines Berkley's cosmetic wallet and Baca's mounting system with Goto's magnetic card holder. *Id*. at 28. For claim element 11.D relating to the first magnetic arrangement has at least one of a different orientation or a different geometric pattern than the second arrangement, the Petition relies on Baca. Pet. at 42-45.

B. Grounds 2A-2E and 3A-3F

With respect to independent claims 1, 5, and 11 of Grounds 2A-2E, because Petitioner admits that Zhu's folio-style cover is not a wallet nor has a compartment, the Petition asserts obviousness based on the combination of Zhu's folio-style cover with Kinshi's folio-style wallet to satisfy elements 1.P/5.P/11.P and 1.A/5.A/11.A. Pet. at 58-60. The Petition further cites to Zhu for the magnetic arrangements of claims elements 1.B/5.B/11.B, 1.C/5.C/11.C, 1.F.1/5.F.1/11.E.1 and 1.F.2/5.F.2/11.E.2, and nonmagnetic region of elements 1.E.1/5.E.1 and 1.E.2/5.E.2. Pet. at 62-70. As noted, the Petition relies on Goto's magnetic card holder in combination with Zhu's folio-style cover and Kinshi's folio-style wallet for element 1.D/5.D. With respect to Grounds 3B-3F, the Petition cites to Kinshi's folio-style wallet for all claim elements of claims 1 and 5, except for 1.D/5.D. Pet. at 90-94. As noted, the Petition combines Kinshi's folio-style wallet with Goto's magnetic card holder for elements 1.D/5.D. Pet. at 90-91.

VI. PETITIONER FAILS TO MEET ITS BURDEN OF SHOWING THAT ITS PROPOSED COMBINATIONS RENDER OBVIOUS THE CHALLENGED CLAIMS[11]

A. Goto Does Not Disclose "a ferromagnetic shield between the first and second arrangements and the compartment" / "a metallic plate between the first arrangement and the compartment" [1.D/5.D] of Grounds 1A-1B, 1D-1E, 2A-2E, 3B-3F (Claims 1-10)

Goto does not disclose the claimed ferromagnetic shield (claims 1-4, 6-10) or metallic plate (claim 5) placed in between the wallet's arrangement of magnets and a compartment. 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. at 15. But Goto itself does not disclose that its shield is placed between a wallet's arrangement of magnets and its compartment. In the portion cited by 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." Pet. at 15 (citing EX1012, 2:14-21). Similarly, as noted, Goto explains that the problem with conventional magnetic

[11] The following arguments represent a non-exhaustive list of deficiencies in the obviousness grounds advanced in the Petition that are sufficient to demonstrate that no *inter partes* review should be instituted under 35 U.S.C. 314. 37 C.F.R. § 42.107.

media holders (*e.g.*, envelopes for floppy disks, circa 1984) is that "when electromagnetic waves or magnetism emitted from a computer or its related instruments directly hit the essential part of other computers, operation of the hit computer is hindered; and when a floppy disc as a memory of the magnetic disc is affected by magnetism, the stored information is disturbed and even rendered useless." EX1012, 1:38-44. Thus, the magnetic fields Goto is concerned with emanate from a TV, stereo, or computer, and not from closely positioned magnets arranged in the magnetic card or media holder.

While the Petition asserts that Goto discloses the claimed ferromagnetic shield and metallic plate, Petitioner's own expert's cross-section of Goto demonstrates that there is no disclosure of placing a ferromagnetic shield or metallic plate between the wallet's compartment and the wallet's magnetic arrangements. Pet. at 28 (claim element [1.D]); *id.* at 36 (claim element [5.D]). As Petitioner's expert confirmed, Goto's shield is place between the card holder and the front and back walls, which do not include any arrangements of magnets. EX1003, ¶ 76 (figured copied below).

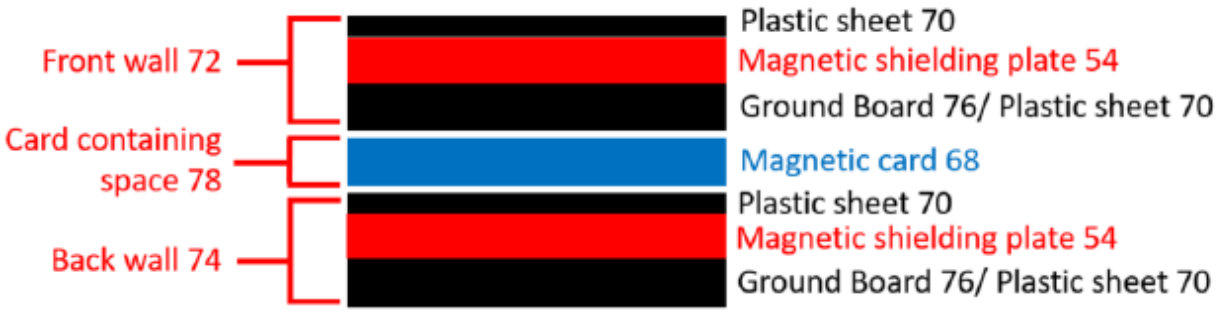


FIG. A: Annotated Cross-Section of EX1012, FIG. 17.

As noted, the Board previously considered prior art magnetic shielding plates substantially identical to Goto and held that neither Sartee or Gluck disclosed a shield in between the claimed wallet's arrangement of magnets and its compartment.

> With respect to prosecution 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…Sartee does not disclose that the magnetic shunt [interpreted by the Examiner as a ferromagnetic shield] is between the magnets and Hall Effect sensors [interpreted by the Examiner as the wallet's compartment] only that it is in the vicinity of the Hall Effect Sensors. Consequently, the Examiner has not adequately explained how combining the teachings of Berkley and Baca accounts for the [ferromagnetic shield] limitation of claim 2.

EX1002 at 455-456.

> For [the metallic plate of] claim 6, the Examiner relies on the combination of Berkley, Baca and Sartee for claim 2 alone or in view of Gluck. Therefore, we do not sustain the rejections of claim 6 for the same reasons discussed above for claim 2.

Id. at 456.

Goto suffers from the same deficiencies as Sartee and Gluck in that it does not disclose a ferromagnetic shield or metallic plate between a wallet's magnets and its compartment. In short, the Board rejected the Examiner's obviousness arguments, advanced again here by Petitioner, that merely disclosing the use of a magnetic shield or metallic plate rendered obvious claims 1-10 because there was no disclosure of placing the magnetic shield/metallic plate between a wallet's magnets and its compartment. Thus, the Board's rationale for rejecting the Examiner's obviousness arguments based on Sartee's shunt and Gluck's metallic plate in combination with Berkley and Baca apply with equal force to Petitioner's combination of Goto's magnetic shielding plate in combination with Berkley and Baca.

Accordingly, because the combination of Berkley, Baca and Goto do not disclose every element of claims 1-10 of the '641 patent, Petitioner has failed to carry its burden to demonstrate the obviousness of claims 1-10.

B. There Is No Motivation to Combine Goto with the Combination of Berkley and Baca of Grounds 1A-1B and 1D-1E (Claim 1-10)

Because the Board determined that none of the relied on prior art disclosed the ferromagnetic shield or metallic plate, it did not reach the issue of whether a POSA would have been motivated to combine such prior art with the combination of Berkley's cosmetic wallet and Baca's magnetic mounting system.

However, even assuming for the sake of argument that Goto discloses the claimed ferromagnetic shield and metallic plate placed between a wallet's magnets and its compartment (it does not), Petitioner has failed to show that a POSA would have been motivated to combine this prior art with Berkley's cosmetic wallet and Baca's magnetic mounting system. Petitioner asserts that "[c]ards stored in the Berkley-Baca wallet would be susceptible to this type of magnetic damage, at least due to their proximity to Baca's magnets used to attach Berkley's wallet to a mobile device." Pet. at 21. However, none of Berkley, Baca or Goto provide any motivation for such a hypothetical combination. Berkley's cosmetic wallet does not disclose any concerns about magnetic damage to cards stored in its card holder, despite its disclosure of using a magnet to attach the cosmetic wallet to the mobile device. EX1013, ¶ 29. Similarly, Baca does not state any concerns that magnetic cards placed in its magnetic card holder would be susceptible to magnetic damage caused by the use of magnets in its mounting system. Pet. at 14. Finally, Goto's card holder

does not employ magnets and thus there is no concern that magnets could cause any magnetic damage or that Goto's shielding plate could be used to prevent such damage in a wallet having embedded magnets.

Petitioner further argues that "[a] POSA would have been motivated to modify the Berkley-Baca wallet to include Goto's magnetic-shielding plate on or embedded as a layer with (at least) the bottom surface of Berkley's base 28—between the compartment that holds cards and Baca's magnets…" Pet. at 21. The relevant inquiry, however, is not whether a POSA would have understood the combination of Berkley and Baca to be capable of being configured as to satisfy the claim; the relevant inquiry is whether a POSA would have been motivated to modify Berkley and Baca in a way that satisfied the claim. *See, e.g., In re Gordon*, 733 F.2d 900, 902 (Fed. Cir. 1984) ("The mere fact that the prior art could be so modified would not have made the modification obvious unless the prior art suggested the desirability of the modification."); *Belden Inc. v. Berk-Tek LLC,* 805 F.3d 1064, 1073 (Fed. Cir. 2015) ("obviousness concerns whether a skilled artisan not only *could have made* but *would have been motivated to make* the combinations or modifications of prior art to arrive at the claimed invention.") (emphasis in original); *see also KSR Int'l Co. v. Teleflex Inc*., 550 U.S. 398, 421 (2007) ("A factfinder should be aware, of course, of the distortion caused by hindsight bias and must be cautious of arguments reliant upon ex post reasoning."). Thus, even if, *arguendo*, the combination of Berkley and

Baca were capable of being configured to incorporate the shield of Goto to satisfy the claim, this would not establish that a POSA would be motivated to modify them in that fashion.

C. There Is No Motivation to Combine Goto with the Combination of Zhu or Kinshi of Grounds 2A-2E and 3B-3F (Claim 1-10)

As with the Berkley-Baca combination, Petitioner asserts that "[c]ards stored in the Zhu-Kinshi wallet would be susceptible to magnetic damage" without identifying any evidence supporting this bare assertion. Pet. at 56. In particular, Petitioner speculates that "[w]hen the mobile phone is removed and the folio is closed, the cards *could be* exposed to the magnets in back plate 210 of Zhu (or base piece 3 of Kinshi)." *Id*. Petitioner further asserts that "*it was common* for a user to fold the cover back (like bending the spine of a paperback novel) when using the mobile phone while in the folio" and that "[f]olding the cover back in this manner would likewise expose the cards to the magnets in the back plate 210 of Zhu (or base piece 3 of Kinshi)." *Id*. at 56-57. While the Petition relies on its expert for support for these assertions, Petitioner's expert merely parrots this language without providing any evidentiary basis. Similarly, there is no evidence that it was common to fold the cover of the folio back and thereby expose the cards to the magnets. EX1003, ¶¶ 275-76. Such unsupported, conclusory testimony should be afforded little, if any, weight. *See Precision Cancer Techs. Inc. v. Oncoustics Inc.,* IPR2025-

00242, Paper 7, 15-16 (P.T.A.B. June 3, 2025) ("Petitioner cites the testimony of [its expert], but [its expert's] testimony lacks both technical reasoning and evidentiary support; it simply mirrors the statement in Petition…For this reason, we give [expert's] *ipse dixit* testimony little weight."); *AT&T Servs. Inc. v. Innovative Sonic Ltd*., IPR2024-01143, Paper 15, 27 (P.T.A.B. Feb. 11, 2025) ("Under 37 C.F.R. § 42.65(a), '[e]xpert testimony that does not disclose the underlying facts or data on which the opinion is based is entitled to little or no weight.'"); *Xerox Corp. v. Bytemark, Inc.,* IPR2022-00624, Paper 9 at 15 (P.T.A.B. Aug. 24 ,2022) (Decision Denying Institution) (precedential) (finding that conclusory testimony that "does not cite to any additional supporting evidence or provide any technical reasoning to support [that testimony] . . . is entitled to little weight").[12] Indeed, despite disclosing the use of magnets in their folio-style holders, neither Zhu or Kinshi mention any potential damage to the cards caused by the magnets, much less suggest a need or desire to shield them.

[12] Petitioner makes the same arguments with respect to Grounds 3B-3E based only on Kinshi. *See* Pet. at 88-90. These arguments therefore suffer from the same problems set forth with respect to the lack of motivation to combine Goto's magnetic-shielding plate with the hypothetical Zhu-Kinshi folio cover.

As with the Berkley-Baca combination, Petitioner again resorts to purportedly explaining how the Zhu-Kinshi folio can be modified to incorporate Goto's magnetic-shielding plates. Pet. at 57. As noted, the relevant inquiry is not whether a POSA would have understood the combination of Zhu-Kinshi to be capable of being configured as to satisfy the claim; the relevant inquiry is whether a POSA would have been motivated to modify the Zhu-Kinshi folio in a way that satisfied the claim. *In re Gordon*, 733 F.2d at 902; *KSR Int'l Co.*, 550 U.S. at 421. Thus, regardless of whether the hypothetical folio of Zhu and Kinshi were capable of being configured to incorporate the shield of Goto to satisfy the claim, it would not establish that a POSA would be motivated to modify them in that fashion.

D. Neither Berkley Nor Baca Disclose the Limitation "wherein the first magnetic arrangement has at least one of a different orientation or a different geometric pattern than the second arrangement" [11.D] of Ground 1C (Claim 11)

There is no genuine dispute that neither Berkley nor Baca disclose a first magnetic arrangement having at least one of a different orientation or a different geometric pattern than the second magnetic arrangement. Berkley, for example, discloses only the use of a single magnet rather than the claimed two arrangements of magnets: "alternative fixation means comprises ***a*** magnet that is placed on the base of the device." EX1013, ¶ 29 (emphasis added). As such, the Petition relies on Baca for this alleged disclosure. Pet. at 42-43. But, indisputably, as shown below

in FIG. 1, Baca discloses only a single magnet array on the device-side attachment. *See also* EX1006, FIGS. 1A-1F; Pet. at 15.

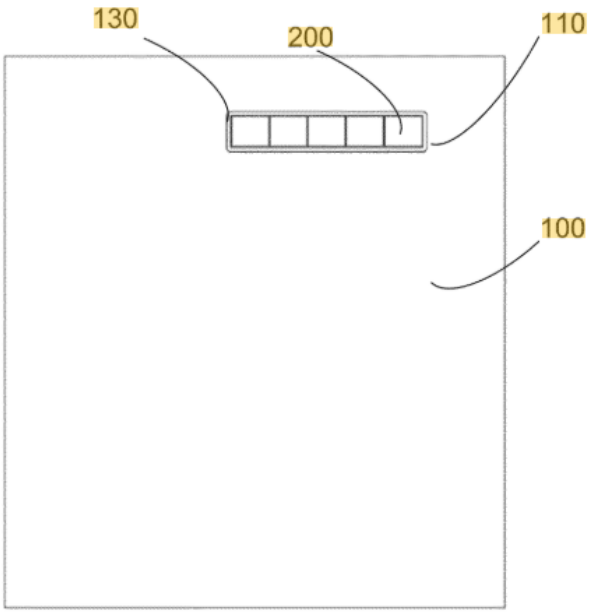


FIG. 1F

To meet this limitation, Petitioner must demonstrate that it would have been obvious to both include additional magnetic arrangements on the device-side attachment and orient them differently from one another. As explained below, Petitioner fails to show that a POSA would have been motivated to make these modifications other than in hindsight.

To address this shortcoming and presumably to demonstrate that this limitation is obvious in light of Baca, Petitioner argues that "the only support in the '641 patent for [11.D] is disclosure from Baca." Pet. at 42-43. Not true. The '641 patent discloses that "[t]he plurality of magnets may include a first plurality of

magnets arranged in a first direction and a second plurality of magnets arranged in a second direction, thereby enabling the accessory device to be disposed in different orientations when magnetically coupled to the device-side attachment." EX1001, 2:2-12; 13:33-57; 14:17-28; *see also* EX1002 at 329 (citing support for this limitation). Thus, the '641 Patent supports this limitation whereas Baca does not.[13]

Petitioner admits that proving this limitation would have been obvious requires showing that, in addition to using an additional magnetic arrangement on the device-side attachment, "a POSA would have known that the duplication of Baca's magnetic arrangement is not limited to exactly duplicating one specific arrangement of magnets" and that "any of [Baca's self-aligning magnetic arrangements] could be used as surface-side attachments." Pet. at 44. Petitioner relies on its expert who merely repeats the same arguments in the Petition and summarily concludes—without evidence—that "[s]imply choosing two different items from the same list is also obvious." EX1003, ¶ 241. This *ipse dixit* testimony simply amounts to improper hindsight bias and ex post reasoning. *KSR Int'l Co.*, 550 U.S. at 421. Moreover, because it is unsupported, it also should be little weight.

[13] The use of the same figures in the '641 Patent and Baca is unavailing because, in addition to the claimed wallet, in other embodiments the '641 Patent discloses the wallet in conjunction with a mounting system disclosed in Baca.

Xerox Corp., IPR2022-00624, Paper 9 at 15; *Precision Cancer Techs. Inc.,* IPR2025-00242, Paper 7, 15-16. Indeed, the Board allowed claim 11 over Berkley and Baca combinations. EX1002 at 460.

In short, Petitioner fails to demonstrate that it would have been obvious that the orientation of Baca's singular linear array would be transformed into two distinct magnetic arrangements with different orientations.

E. Neither Zhu-Kinshi Nor Kinshi Disclose the Limitation "wherein the first magnetic arrangement has at least one of a different orientation or a different geometric pattern than the second arrangement" [11.D] of Grounds 2A and 3A (Claim 11)

The Petition fails to demonstrate that Zhu or Kinshi disclose a first magnetic arrangement has at least one of a different orientation or a different geometric pattern than the second arrangement of Claim 11. For Zhu, Petitioner relies on FIG. 4's magnetic groups at the corners of back plate 210 and, for Kinshi, Petitioner relies on the disclosure of magnets shown in FIG. 4. Pet. at 71-72 (Zhu), 87 (Kinshi). Petitioner argues that the different polarities in the identified first arrangement and second arrangement of Zhu and Kinshi, respectively, demonstrate that the first and second arrangement have different orientations. Pet. at 73, 86. These arguments fail because Petitioner wrongly conflates different polarities with orientations or geometric patterns. This distinction was made clear during the prosecution of the '641 Patent.

In an office action dated April 11, 2022, the Examiner rejected prosecution claim 12 (issued claim 11) based on Levy.[14] Specifically, the Examiner argued that "per Levy, which teaches different magnetic arrangements having different orientation, noting for example the top left and the top right or bottom left arrangements corresponding to FIG. 8A have different orientations, as do any two of the arrangements corresponding to FIG. 9A." EX1002 at 288 (FIG. 8A and 9A reproduced below).

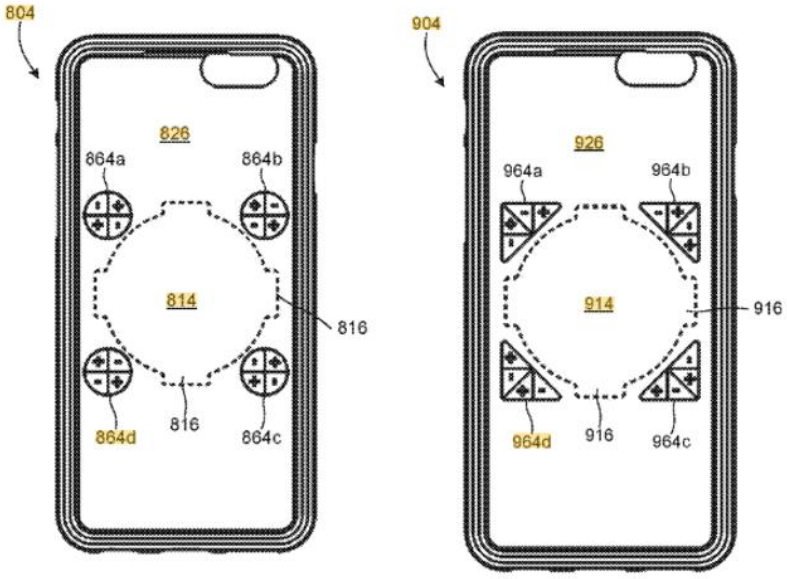


FIG. 8A *FIG. 9A*

In response, the Patent Owner 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

[14] Levy is U.S. Pat. Publ. No. 2019/0198212.

its orientation nor its geometric pattern." *Id*. at 337. The Patent Owner further explained that "two circles have the same orientation, that is circles are orientation agnostic. So, none of the arrangements in *Levy* 8A have either a different orientation or a different geometric pattern. Figure 9A conversely has triangular regions that have different orientations. Again, changes in the polarity arrangement does not change the orientation, rather changing the direction of the triangle points changes the orientation." EX1002 at 343-44.[15]

Petitioner's arguments with respect to this limitation for Zhu and Kinshi similarly conflate polarities with orientation or geometric patterns. The magnetic arrangements identified in Zhu and Kinshi are akin to the magnetic arrangement in FIG. 8A of Levy. Unlike FIG. 9A of Levy, the identified first and second magnetic arrangements of Zhu and Kinshi have the same orientation or geometric shape even though the polarities are different between the arrangements. Therefore, they do not disclose a first magnetic arrangement that has at least one of a different orientation or a different geometric pattern than the second arrangement recited in Claim 11.

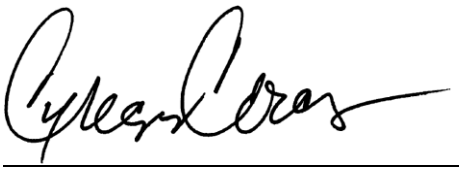
[15] The Board found that Levy did not disclose the separate limitation relating to "wherein the first and second arrangements cause the wallet to adopt a specific orientation on the mobile device" recited in elements 1.F.2, 5.F.2, and 11.E.2. EX1002 at 459.

VII. CONCLUSION

Petitioner has failed to demonstrate a reasonable likelihood of prevailing on any of its sixteen asserted grounds of obviousness. The Board already determined during prosecution that combinations of Berkley, Baca, and prior art shielding disclosures do not render these claims obvious, and Petitioner offers no compelling reason to revisit the Board's decision or that doing so would yield a different result. Likewise, Zhu and Kinshi combinations are cumulative of the Schmidt art already considered by the Examiner and found not to be invalidating. In short, Petitioner offers no reason to revisit art and arguments already considered and rejected by the Board.

Accordingly, for these reasons, *inter partes* review should not be instituted.

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CERTIFICATE OF SERVICE

I certify that the **PATENT OWNER'S PRELIMINARY RESPONSE** in connection with *Inter Partes* Review Case IPR2025-01180 and exhibits 2001-2007 were served on November 7, 2025 by electronic mail to:

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CERTIFICATE OF WORD COUNT

Under 37 C.F.R. § 42.24(d), the undersigned attorney for the Patent Owner, 1LSS, declares this **PATENT OWNER'S PRELIMINARY RESPONSE** has 6,845 words, according to Microsoft Word® word count tool, excluding the parts of the Response exempted by 37 C.F.R. § 42.24(a)(1).

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