

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner

v.

1LSS, INC.,
Patent Owner

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

**PETITIONER'S OPPOSITION TO PATENT OWNER'S
REQUEST FOR DISCRETIONARY DENIAL**

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Patent Trial and Appeal Board
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TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	BACKGROUND	2
III.	DISCRETIONARY CONSIDERATIONS FAVOR INSTITUTION	3
A.	1LSS has no settled expectations because the '641 patent issued in January 2024, and thus has been in force for less than two years.....	3
B.	IPR is necessary to correct material errors during prosecution.	4
1.	Review is necessary to correct material errors in the evaluation of currently asserted independent claim 11.....	4
2.	Review is necessary to correct material errors regarding the magnetic shielding elements of independent claim 1 and 5.....	6
3.	Zhu and Kinshi are not cumulative with art in the record.	10
C.	The <i>Fintiv</i> Factors Favor Institution	12
1.	Factor 1 favors institution because 1LSS has not adhered to the proposed schedule.....	13
2.	Factor 2 favors institution because the court has not set a trial date and 1LSS failed to adhere to the proposed schedule.....	13
3.	Factor 3 favors institution because there will be little invested in CDCA by the DI deadline and Apple was diligent.	14
4.	Factor 4 favors institution because Apple has made a <i>Sotera</i> stipulation and was diligent in filing the Petition.....	15
5.	Factor 5 favors institution because it would be inefficient to review a patent not involved in litigation between the parties.....	15
6.	Factor 6 favors institution because the merits are strong.	16
IV.	1LSS'S POPR CONFIRMS INSTITUTION IS WARRANTED.....	16
A.	Goto <i>in combination with</i> the other prior art satisfies claim elements 1.D and 5.D; the Petition does not rely on Goto alone.....	16
B.	A POSA would have combined Goto with Berkley and Baca.....	17

C.	A POSA would have combined Goto with Zhu and Kinshi.	19
D.	Each of Baca, Zhu, and Kinshi teaches or suggest element 11.D.	19
V.	CONCLUSION.....	20

PETITIONER'S EXHIBIT LIST

Exhibit No.	Description
1001	U.S. Patent No. 11,864,641 B2 to Mora et al., issued January 9, 2024 (“the ’641 patent”)
1002	File History of U.S. Patent No. 11,864,641
1003	Declaration of Dr. Joshua Phinney in Support of Petition for <i>Inter Partes</i> Review of U.S. Patent No. 11,864,641
1004	<i>Curriculum Vitae</i> of Dr. Joshua Phinney
1005	U.S. Provisional Application No. 62/736,379 to Mora, filed September 25, 2018 (“Provisional”)
1006	U.S. Patent Application Publication No. 2016/0260532 A1 to Baca, published September 8, 2016 (“Baca”)
1007	Chinese Patent Application Publication No. 108023992 A to Zhu, published May 11, 2018 (“Zhu”)
1008	English Language Translation of Zhu
1009	Japanese Patent Application Publication No. 3200923 U to Kinshi, published November 12, 2015 (“Kinshi”)
1010	English Language Translation of Kinshi
1011	U.S. Patent No. 5,288,942 to Godfrey, issued February 22, 1994 (“Godfrey”)
1012	U.S. Patent No. 4,647,714 to Goto, issued March 3, 1987 (“Goto”)
1013	U.S. Patent Application Publication No. 2017/0354229 A1 to Berkley et al., published December 14, 2017 (“Berkley”)
1014	U.S. Patent No. 10,134,517 B2 to Baca, issued November 20, 2018 (“Baca Patent”)
1015	U.S. Patent No. 9,362,968 B1 to Haymond, issued June 7, 2016 (“Haymond”)

Exhibit No.	Description
1016	U.S. Patent No. 5,080,223 to Mitsuyama, issued January 14, 1992 (“Mitsuyama”)
1017	U.S. Patent Application Publication No. 2016/0072933 A1 to Cox, III, published March 10, 2016 (“Cox”)
1018	U.S. Patent No. 8,138,869 B1 to Lauder et al., issued March 20, 2012 (“Lauder”)
1019	U.S. Patent Application Publication No. 2011/0192857 A1 to Rothbaum et al., published August 11, 2011 (“Rothbaum”)
1020	Ho, A., “Mophie Hold Force Review – Modular iPhone 7 and 7 Plus cases,” MobileReviews Eh!, April 26, 2017, accessible at https://www.mobilereviews-eh.ca/mophie-hold-force-review-modular-iphone-7-and-7-plus-cases/ (last accessed June 18, 2025)
1021	Wayback Machine Archive of Exhibit 1020, archived June 6, 2017, accessible at https://web.archive.org/web/20170606185125/https://www.mobilereviews-eh.ca/mophie-hold-force-review-modular-iphone-7-and-7-plus-cases/ (last accessed July 15, 2025)
1022	U.S. Patent Application Publication No. 2016/0295981 A1 to Lay et al., published October 13, 2016 (“Lay”)
1023	U.S. Patent Application Publication No. 2019/0208878 A1 to Hyncek et al., published July 11, 2019 (“Hyncek”)
1024	“Burkley Magnetic Detachable Wallet Case for iPhone 7+: Handmade Turkish Leather w/ Excellent Magnets!”, Tech Reviewer, May 18, 2017, accessible at https://web.archive.org/web/20170825170230/https://tech-reviewer.com/2017/05/18/burkley-magnetic-detachable-wallet-case-iphone-7-handmade-turkish-leather-w-excellent-magnets/ (last accessed July 15, 2025)

Exhibit No.	Description
1025	“BUDU - A module phone case that adapts to you!”, Indiegogo Campaign, accessible at https://www.indiegogo.com/projects/budu-a-modular-phone-case-that-adapts-to-you#/ (last accessed July 15, 2025)
1026	“Updates” Tab from “BUDU - A module phone case that adapts to you!”, Indiegogo Campaign, accessible at https://www.indiegogo.com/projects/budu-a-modular-phone-case-that-adapts-to-you#/updates/all (last accessed July 15, 2025)
1027	U.S. Patent No. 4,851,610 to LeBlanc et al., issued July 25, 1989 (“LeBlanc”)
1028	U.S. Patent No. 5,941,375 to Kamens et al., issued August 24, 1999 (“Kamens”)
1029	U.S. Patent Application Publication No. 2012/0228168 A1 to Kitchen, issued September 13, 2012 (“Kitchen”)
1030	U.S. Patent Application Publication No. 2012/0326819 A1 to Malanczyj et al., issued December 27, 2012 (“Malanczyj”)
1031	U.S. Patent No. 5,718,329 to Ippolito et al., issued February 17, 1998 (“Ippolito”)
1032	U.S. Patent Application Publication No. 2006/0279098 A1 to Shipley et al., published December 14, 2006 (“Shipley”)
1033	Excerpts from Griffiths, D., <i>Introduction to Electrodynamics</i> , Third Edition (1999)
1034	Declaration of Timothy L. Tang
1035	U.S. Patent Application Publication No. 2012/0168483 A1 to Jambunathan et al., published July 5, 2012 (“Jambunathan”)
1036	Complaint, <i>ILSS Inc. v. Apple Inc.</i> , Case No. 2:24-cv-08769 (CDCA) filed October 11, 2024

Exhibit No.	Description
1037	First Amended Complaint, <i>1LSS Inc. v. Apple Inc.</i> , Case No. 2:24-cv-08769 (CDCA) filed January 10, 2025
1038	Email Thread Between Attorneys for Apple Inc. and 1LSS Inc. Indicating 1LSS Has Not Served Infringement Contentions
1039	Motion to Stay, <i>1LSS Inc. v. Apple Inc.</i> , Case No. 2:24-cv-08769 (CDCA) filed August 19, 2025
1040	USCourts.gov, Median Time-To-Trial Statistics (June 30, 2025) – Accessible at https://www.uscourts.gov/data-news/data-tables/2025/06/30/statistical-tables-federal-judiciary/t-3
1041	Lex Machina, Median Time-To-Trial Statistics, C.D. Cal. (November 12, 2024 to November 12, 2025) – Accessible at https://law.lexmachina.com/
1042	Docket Navigator, Median Time-To-Trial Statistics, C.D. Cal. (November 12, 2024 to November 12, 2025) – Accessible at https://search.docketnavigator.com/patent/analytics (Time to Trial)
1043	U.S. Patent Application Publication No. 2014/0043748 A1 to Sartee <i>et al.</i> , published February 13, 2014 (“Sartee”)

I. INTRODUCTION

The Director should institute this IPR because discretionary and non-discretionary considerations strongly favor review. *First*, the '641 patent issued to 1LSS in January 2024, and thus 1LSS has not (and does not claim to have) developed any settled expectations. Apple timely petitioned for IPR in July 2025, and this is the first post-grant challenge of the '641 patent. Apple's early challenge supports robust, predictable patent rights and favors institution.

Second, the Petition identifies material errors during prosecution that led to the allowance of the three independent claims (1, 5, and 11) over a prior art combination that includes Baca, 1LSS's own prior art. The Petition presents three independent sets of Grounds, each of which demonstrates that the claims were obvious. 1LSS's arguments invoking § 325(d) mischaracterize the prosecution history and the Board's prior *ex parte* appeal decision, and thus should be rejected.

Third, the *Fintiv* factors favor institution. 1LSS's *Fintiv* arguments rely on a schedule that the district court never entered and that is no longer viable because 1LSS has failed to adhere to it. The case is effectively stayed due to 1LSS's inaction, which it fails to mention in its discretionary denial briefing. Trial in the co-pending litigation is likely to occur after FWD, Apple's *Sotera* stipulation helps mitigate concerns of duplication of effort and inconsistent results, and the merits are particularly strong. Accordingly, Apple respectfully requests institution.

II. BACKGROUND

The '641 patent issued to 1LSS on January 9, 2024. EX1001, (45). On October 11, 2024, 1LSS filed a complaint in the Central District of California (CDCA) alleging Apple infringes independent claim 11 of the '641 patent. EX1036, 5; EX1037, 6. The parties proposed a schedule in August 2025, which the court has not entered. EX2003. Nor has 1LSS adhered to this schedule that it previously agreed to. To date, it has not served its infringement contentions, which were due September 15, 2025. EX2003, 16. As a result, Apple informed 1LSS the proposed schedule is no longer applicable. Thus, there is no schedule and the CDCA litigation is effectively stayed due to 1LSS's inaction. EX1038.

Meanwhile, Apple filed the instant Petition in July 2025, identifying material errors during prosecution that led to allowance of the three independent claims of the '641 patent. Pet., 1-2, 5-9, 43. For example, asserted claim 11 (which was prosecution claim 12) recites the same "specific orientation" element as claim 1 (elements 1.F.2 and 11.E.2). The Board affirmed the Examiner's rejection of claim 1, finding Baca teaches the "specific orientation" element. EX1002, 444-49. But the Board reversed the Examiner's rejection of claim 11 because it relied on *Levy*, not Baca, for the "specific orientation" element. EX1002, 459. Given its finding that Baca teaches this element, the Board should have issued a new rejection using Baca under Rule 41.50(b) or the Examiner should have reopened prosecution after

the Board's decision. Failure to do so was material error. Apple's Petition identifies similar material errors for independent claims 1 and 5 that, along with other discretionary considerations, strongly support instituting review of the recently granted '641 patent.

III. DISCRETIONARY CONSIDERATIONS FAVOR INSTITUTION

The Director should institute review because the Petition's merits are strong and discretionary considerations favor institution. At the outset, 1LSS incorrectly alleges the Petition is deficient because it fails to address discretionary issues. *See, e.g.,* DD Br., 2, 14-15. Under the Interim Process, "[t]he petition should not address discretionary issues." Interim Process Webpage, §III.A. Apple followed this guidance and addresses discretion below, but notes that the Petition explains the relevant prosecution history and why review is necessary to correct material errors that the Board *itself* identified during prosecution. Pet., 1-2, 5-9, 43.

A. 1LSS has no settled expectations because the '641 patent issued in January 2024, and thus has been in force for less than two years.

"Early challenges to patents favor robust, predictable patent rights and weigh against discretionary denial." *Straumann USA, LLC v. Smart Denture Conversions, LLC*, IPR2025-00956, Paper 11 at 2 (PTAB Sept. 19, 2025) (patentee had not developed strong settled expectations when patent "*issued in 2024*" and was "not ... in force for a significant period of time"); *see also Suzhou Mojawa Intelligent Elec. Co., Ltd., v. Shenzhen Shokz*, IPR2025-00842, Paper 14 at 2 (PTAB Sept. 19,

2025) (patents “issued in 2021 and 2022” did not establish settled expectations).

1LSS has not (nor claims to have) developed any settled expectations. The ’641 patent issued in January 2024 and thus has been in force for less than two years. EX1001, (45). Like the patents in *Straumann* and *Suzhou*, this short period is not sufficient for 1LSS to develop any expectations in the validity of the patent. Apple diligently filed the Petition in July 2025, about 1.5 years after the ’641 patent issued and long before 1LSS served infringement contentions (which still have not been served). Apple is the first and only party to challenge the ’641 patent via a post-grant proceeding. Apple’s early challenge favors “robust, predictable patent rights and [weighs] against discretionary denial.” *Straumann*, 2.

B. IPR is necessary to correct material errors during prosecution.

Review is necessary to correct material errors in the examination of independent claims 1 and 5 (not asserted, requiring shielding), and claim 11 (currently asserted, not requiring shielding). EX1036, 5; EX1037, 6. Apple address these claims in reverse order, starting with the clear errors in the prosecution of claim 11.

1. Review is necessary to correct material errors in the evaluation of currently asserted independent claim 11.

The Director should institute review to correct the Board’s and Examiner’s material error of failing to apply *Baca* to the “specific orientation” element of currently asserted claim 11 (which was claim 12 during prosecution). Pet., 2, 6-9, 43 (discussing “specific orientation” element). The error is clear and indisputable.

Claim 1 recites the same “specific orientation” element (labeled 1.F.2) as claim 11.

The Examiner found that Baca teaches this element, and the Board affirmed this finding. EX1002, 444-49. But, for claim 11, the Examiner’s rejection relied on *Levy* to satisfy the same “specific orientation” element. EX1002, 459. The Board reversed this rejection and also rejected the Examiner’s belated attempt to rely on Baca because the “Examiner fail[ed] to provide” the requisite motivation to combine Berkley, Baca, and Levy with respect to claim 11. *Id.* Accordingly, the Board *itself* previously identified the Examiner’s material errors in rejecting claim 11. The Board and the Examiner compounded this error by failing to issue new rejections that applied their analysis of the “specific orientation” element in claim 1.

In 1LSS’s re-telling, the Examiner relied on Levy because “Berkley and Baca do not disclose first and second arrangements of magnets that cause the wallet to adopt a specific orientation.” DD Br., 18. That is wrong and ignores the Board’s analysis of claim 1 in which it plainly determined that *Baca* satisfies this element and would have been combined with Berkley. EX1002, 444-49. Notably, 1LSS *did not* appeal these determinations; rather, it obtained allowance of claim 1 by incorporating the magnetic shielding element that was recited in prosecution claim 2. Pet., 8-9. But the Examiner’s treatment of the magnetic shielding elements (now recited in independent claim 1 and 5) also demonstrates material errors during prosecution, which further support institution of IPR.

2. Review is necessary to correct material errors regarding the magnetic shielding elements of independent claim 1 and 5.

1LSS's analysis of Berkley and Baca is flawed, overly narrow, and fails to adequately address Goto's critical teachings, which directly address a material error from prosecution. Goto issued in 1987 and demonstrates that it was known decades before the '641 patent to include magnetic shielding in a wallet to protect credit cards that are stored in the wallet from magnetic damage. EX1012, [45]. Indeed, Apple presented the Berkley-Baca-Goto ground to directly address the Examiner's failure to recognize that a "ferromagnetic shield" and "metallic plate" were well-known concepts in the art. Pet., 1-2, 5-9. Regarding claims 1 and 5, the Board found that it would have been obvious to combine Berkley and Baca, and that all but the following limitations were taught by the combination: (1) the "ferromagnetic shield" in prosecution claim 2 and (2) the "metallic plate" in prosecution claim 6. EX1002, 444-53. Instead of identifying art teaching these well-known concepts, the Examiner allowed the application after 1LSS included these features in claims 1 and 5. This was material error. Pet., 1-2, 5-9.

Goto teaches the claimed "ferromagnetic shield" and "metallic plate." Pet., 20-22, 28, 36. Apple's expert, Dr. Phinney, explained using five example prior art references that using magnetic shielding to protect credit cards and the like was known for at least 30 years before the '641 patent. Pet., 5; EX1003, ¶¶69-81. In view of the teachings in Berkley and Baca, the Examiner committed material error

when failing to identify such basic and well-known teachings in the prior art.

Microsoft Corp. v. ParTec Cluster Competence Ctr. GmbH, IPR2025-00318, Paper 9 at 3 (PTAB June 12, 2025) is instructive. There, the Examiner allowed claims over Lippert but the petitioner presented combinations based on Lippert and explained how the Examiner erred. *Id.* The petitioner’s identification of material error outweighed patent owner’s arguments under § 325(d). *Id.* The same is true here. The Petition presents Goto in combination with Berkley and Baca—references deemed to have taught many claims and claim elements—to correct material error by the Office. Like *Microsoft*, “it is an appropriate use of Office resources to review the potential error.” *Id.*

And, contrary to 1LSS’s arguments, Goto is not cumulative with Sartee and Gluck. DD Br., 10-12; POPR, 17. *First*, 1LSS misrepresents the Board’s conclusions. DD Br., 10-12, 17. 1LSS’s argument that the “Board held that neither Sartee [nor] Gluck disclosed a shield in between the claimed wallet’s arrangement of magnets and its compartment” is not true. DD Br. 11; *see* EX1002, 455-456. The Board identified shortcomings in the Examiner’s rejections—not in the references’ teachings—holding that: (i) the “*Examiner does not identify* what component in *Sartee* corresponds to the recited ‘compartment’” and (ii) the “*Examiner does not cite* any evidence from *Gluck* that would cure the deficiencies in the rejection of claim 2.” EX1002, 455-456.

Second, more importantly, Sartee’s and Gluck’s technical teachings are not cumulative with Goto’s. Sartee’s teachings are not even close to Goto’s—Sartee is an Apple application directed to a (now-familiar) cover for the face of a tablet that folds behind the tablet to also function as a stand. *See* EX1043, Abstract, FIG.

14A. Sartee is not directed to a wallet that protects credit cards from magnetic damage, and thus was material error for the Examiner to use in its rejections given that references like Goto had been available for decades. EX1012 (filed in 1984); EX1003, ¶¶69-81 (reviewing Leblanc, Kamens, Goto, Godfrey, and Kitchen).

Gluck also fails to teach key aspects of the claims that Goto plainly discloses. As 1LSS concedes, Gluck discloses *radio frequency (RF)* shielding, not magnetic shielding. POPR, 17-18 (“RF and/or RFID shielding”); EX2002, ¶3. Goto specifically teaches magnetic shielding. EX1012, Abstract.

1LSS also is incorrect that Gluck’s card holder has “structures substantially identical to Goto’s.” POPR, 17. The references’ shielding structures are materially different in a manner critical to the claims: Goto has *magnetic* shielding in the *front and back* of the card-holding compartment, while Gluck has *RF shielding* in only the *front*. Berkley’s magnet is on the back (device-side) of the wallet. EX1013, ¶29, FIG. 6. So, when Goto and Berkley are combined, Goto’s back (device-side) shield protects credit cards in the compartment from Berkley’s magnet. Pet., 21 (explaining a POSA would “include Goto’s magnetic-shielding plate on or

embedded as a layer within (at least) the bottom surface of Berkley's base 28—between the compartment that holds cards and Baca's magnets—to prevent potential magnetic damage caused by Baca's magnets.”). That is not true for Gluck.

Specifically, Gluck describes a “card holder 1” that has a “front wall 15” and “back side 16.” EX2002, ¶¶27, 43. “[B]ack side 16’ securable to the portable device.” *Id.*, ¶43. Gluck teaches that in contrast to back side 16’, the card holder’s front wall 15’ includes “shield member or plate 30’.” *Id.*, ¶43; *see also id.*, Abstract, ¶27 (“shield member or plate *located on a front wall* of the card holder”). This can be seen in Figures 5 and 6, which depict a cross-section of the card holder 1 having plate 30 in recess 19 of the front wall 15 but no plate on the back side or back wall. *Id.*, ¶42; DD Br., 5 (1LSS arguing the same).

FIG. 5

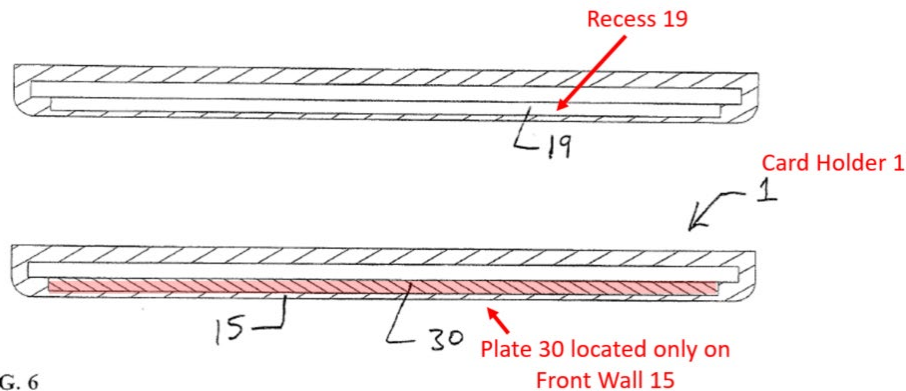
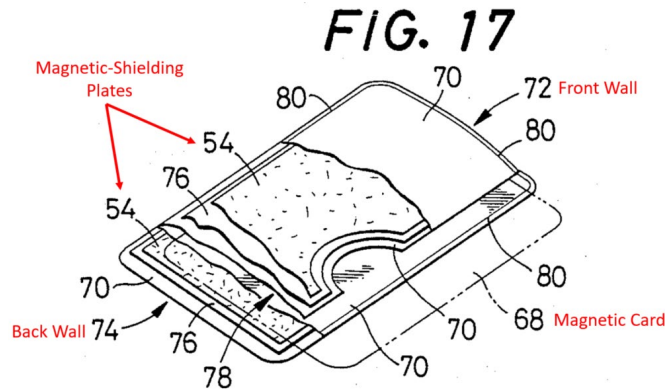


FIG. 6

EX2002, FIGs. 5-6 (annotated).

Gluck's disclosure stands in stark contrast to Goto's teachings of magnetic shielding plates 54 on *both* front wall 72 *and* rear wall 74 as depicted in Figure 17. *Id.*; EX1012, 12:9-24; Pet., 15-16, 28, 36.



EX1012, FIG. 17 (annotated).

Goto explains that magnetic card 68 is “protected...*due to the magnetic shielding plate 54 in the front wall 72 and that of the rear wall 74.*” EX1012, 12:20-24 (emphasis added). In this manner, Goto addresses Gluck’s alleged deficiencies in the positioning of shielding plates because Goto teaches using magnetic shielding plates on *both sides* of a card compartment. Pet., 15-16, 28, 36.

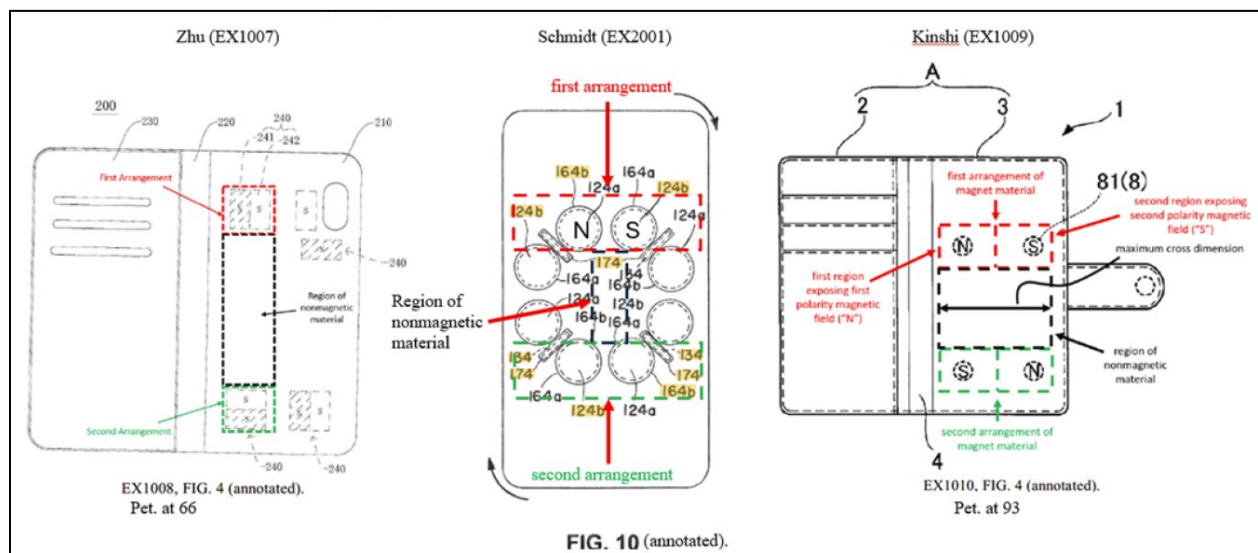
Thus, contrary to 1LSS’s attempt to analogize Goto to Gluck, Goto provides critical disclosures that were available (since at least 1987) but not considered during prosecution. Consideration of these teachings—which directly address the claimed features and the Office’s past material error—warrants institution.

3. Zhu and Kinshi are not cumulative with art in the record.

The Petition presents two additional and distinct sets of Grounds based on Zhu and Kinshi, which were not considered during prosecution. The Zhu and Kinshi Grounds provide strong challenges, independent of Berkley-Baca-Goto, that warrant institution to correct material errors during prosecution.

1LSS attempts to brush aside Zhu and Kinshi as merely cumulative of Schmidt's "folio-type" case, which was identified but not applied during prosecution. DD Br., 1-2, 7, 12-13. This argument fails on multiple grounds, including that it is not commensurate with the scope of the claims. That is, the claims do not require any specific style of wallet, such as folio or card holder.

1LSS is also incorrect that the magnetic configurations of Schmidt, Zhu, and Kinshi are cumulative. DD Br., 12-13. Per 1LSS's own annotations, Schmidt's configurations are plainly different than those of Zhu and Kinshi:



DD Br., 13.

Specifically, Schmidt describes a "ring of magnets" that differs from the magnetic configurations disclosed in Zhu and Kinshi, as seen from 1LSS's own comparison provided above. EX2001, 6:13-16. Zhu and Kinshi disclose using magnetic arrangements that have different orientations, as discussed in the Petition

(and below, §IV.D). Pet., 53-54, 65, 67-68, 84, 91, 93-94; EX1008, ¶¶29; EX1010, ¶¶9-10, 17, 26, FIG. 4. Because they disclose magnetic arrangements that differ in a material way from the one described in Schmidt, Zhu and Kinshi are not substantially similar to, or cumulative with, Schmidt.

And, regardless of any superficial similarities, Schmidt was not discussed or applied in any rejection during prosecution. The Examiner identified Schmidt once but did not apply Schmidt in any rejection. EX1002, 164. The prosecution history is therefore unclear as to how thoroughly the Examiner examined Schmidt's teachings. EX1002, 142-164.

In sum, the Petition demonstrates material error and each of the three sets of Grounds satisfies the *Advanced Bionics* analysis. The Petition at least demonstrates material error in the Office's prior evaluation of the Berkley-Baca Grounds (1A-E). And the Zhu and Kinshi Grounds (2A-E and 3A-F, respectively) pass both prongs of *Advanced Bionics* because they were not previously considered and they cure material errors in the Office's prior evaluation of the claims.

C. The *Fintiv* Factors Favor Institution

The *Fintiv* factors favor institution because trial in the CDCA litigation is likely to occur *after* the projected FWD deadline, the parties and the court will not have invested much into the litigation by the projected DI deadline, and Apple's *Sotera* stipulation helps mitigate concerns of duplication of efforts and inconsistent

decisions. 1LSS's *Fintiv* arguments are misleading and should be rejected because they rely on a proposed district court schedule that the court has not adopted and that is no longer viable because 1LSS has failed to adhere to it.

1. Factor 1 favors institution because 1LSS has not adhered to the proposed schedule.

Factor 1 favors institution. Apple moved to stay the CDCA litigation on August 19, 2025, which is pending resolution. EX1039. More importantly, 1LSS has failed to serve its contentions, effectively staying the case.

2. Factor 2 favors institution because the court has not set a trial date and 1LSS failed to adhere to the proposed schedule.

Factor 2 favors institution because (i) the court has not issued a scheduling order or set a trial date in the CDCA litigation, (ii) 1LSS failed to adhere to the proposed schedule it agreed to, and (iii) the median time-to-trial statistics for CDCA indicate that trial would occur after the projected FWD deadline.

In early August 2025, the parties jointly proposed a schedule, which the court has *not* adopted. EX2003, 16-17. The first event, due by September 15, 2025, was for 1LSS to serve infringement contentions. EX2003, 16. 1LSS missed this deadline. On September 17, 2025, Apple informed 1LSS that it understood that 1LSS did not intend to follow the parties' proposed schedule and that Apple would not serve invalidity contentions until 45 days after 1LSS served infringement contentions (consistent with their proposed schedule). EX1038, 1-2. By November 7,

2025, 1LSS *still* had not served its contentions. So Apple informed 1LSS that “the schedule the parties formerly agreed to is no longer applicable.” EX1038, 1.

When 1LSS filed its DD Brief on October 14, 2025, 1LSS knew or should have known that its failure to adhere to the parties’ proposed schedule would push back the dates in the proposed schedule, including the trial date. Yet 1LSS argues that Factor 2 favors institution based on the proposed schedule *without* notifying the Board that it has failed to adhere to the proposed schedule and that its infringement contentions are about two months overdue. DD Br., 19.

Because the parties’ proposed schedule is no longer valid, the Board should consider median time-to-trial statistics in CDCA. U.S. Courts indicates the current median is 28.6 months for *all* civil jury trials. EX1040, 3 (CA,C). For *patent* jury trials in CDCA in the last five years, Lex Machina and Docket Navigator report about 34-35 months. EX1041, 2 (1031 days or ~34 months); EX1042, 2 (35 months). 1LSS’s complaint was filed October 11, 2024. EX1036, 9. Applying these statistics, the estimated trial date would be anywhere between the end of February 2027 and September 2027, well *after* the projected FWD deadline of February 7, 2027.

3. Factor 3 favors institution because there will be little invested in CDCA by the DI deadline and Apple was diligent.

Factor 3 favors institution because the parties and the court will have made little investment in the CDCA litigation by the February 7, 2026 DI deadline.

1LSS's failure to serve its infringement contentions has significantly delayed fact discovery and claim construction, effectively staying the case until 1LSS satisfies the critical requirement in any patent case to serve its infringement contentions. EX2003, 16; EX1038. And Apple diligently filed the Petition long before 1LSS will serve infringement contentions. *Fintiv*, IPR2020-00019, Paper 11 at 11-12 (filing "petition expeditiously, such as promptly after becoming aware of the claims being asserted," weighs against denial).

4. Factor 4 favors institution because Apple has made a *Sotera* stipulation and was diligent in filing the Petition.

Factor 4 favors institution. The Petition challenges all claims (not just currently asserted claim 11). Pet., 10-11. IPR would thus simplify the issues in the CDCA litigation and any future litigation involving the '641 patent. And, as 1LSS acknowledges, Apple timely submitted a *Sotera* stipulation, which helps mitigate concerns of duplication of efforts and inconsistent results. Paper 7; DD Br., 19.

5. Factor 5 favors institution because it would be inefficient to review a patent not involved in litigation between the parties.

Factor 5 favors institution because 1LSS asserted the '641 patent against Apple in CDCA, and it would not be an efficient use of Board resources to review a patent that was not involved in a litigation between the parties. *See Ericsson Inc. v. Procomm Int'l Pte. Ltd.*, IPR2024-01453, Paper 15 at 3 (PTAB June 25, 2025) ("it is an inefficient use of Board resources to review a challenged patent that has been

dismissed with prejudice from the litigation.”).

6. Factor 6 favors institution because the merits are strong.

Factor 6 favors institution. The Petition includes three independent sets of Grounds, each of which presents strong merits demonstrating the claims are invalid. Pet., 10-11. Grounds 1A-E rely on Berkley and Baca, which the Board has already found teaches many of the claim elements and would have been obvious to combine. The claims would not have issued over this combination but for the material errors in the Examiner’s rejections. Grounds 2A-E and 3A-F include new primary references Zhu and Kinshi that the Examiner failed to identify, which also shows material error in prosecution. These strong challenges directed at correcting prosecution errors favor institution. *See Microsoft*, IPR2025-00318, Paper 9 at 3 (examiner error outweighed *Fintiv*). Indeed, 1LSS fails to provide in its POPR any persuasive arguments to rebut the strong obviousness Grounds in the Petition.

IV. 1LSS’S POPR CONFIRMS INSTITUTION IS WARRANTED

A. Goto *in combination with* the other prior art satisfies claim elements 1.D and 5.D; the Petition does not rely on Goto alone.

Claim element 1.D recites “a ferromagnetic shield between the first and second arrangements and the compartment.” Claim element 5.D similarly recites “a metallic plate between the first arrangement and the compartment.” 1LSS asserts that Goto *alone* does not disclose these elements. POPR, 24-27. This argument

fails because “[n]on-obviousness cannot be established by attacking references individually where the rejection is based upon the teachings of a combination of references.” *In re Merck & Co., Inc.*, 800 F.2d 1091, 1097 (Fed. Cir. 1986).

All agree that Goto teaches placing magnetic shielding in both the front and back of a compartment that holds credit cards. Pet., 15-16; POPR, 25. The purpose of this shielding is to protect the cards from magnetic damage while they are in the compartment. Pet., 15-16; EX1012, 2:14-21. Because Goto does not disclose the magnets that necessitate the shielding are affixed to the cardholder itself, the Petition relies on combining Goto with other art (teaching cardholders with magnets) to satisfy elements 1.D/5.D.

Specifically, Ground 1A relies on the combination of Berkley, Baca, and Goto, Pet., 28, 36; Ground 2A relies on the combination of Zhu, Kinshi, and Goto, Pet., 63-65; and Ground 3B relies on the combination of Kinshi and Goto, Pet., 90-91. These Grounds explain—in detail and with supporting evidence—that it was obvious to combine Goto’s shielding with the wallets disclosed by Berkley, Zhu, and Kinshi to protect credit cards from magnetic damage. Pet., 20-22, 56-58, 88-90; EX1003, ¶¶154-160, 275-279, 392-397. 1LSS’s argument fails to address the combined teachings of the references, and thus should be rejected.

B. A POSA would have combined Goto with Berkley and Baca.

According to 1LSS, the Petition fails to provide a motivation to combine

Goto with Berkley and Baca. POPR, 28-30. 1LSS argues that none of the references themselves provide the requisite motivation, and that the Petition merely explains that these references *could* have been combined. *Id.* The Director should reject 1LSS's arguments because they misrepresent both the law and the facts.

KSR makes it clear that a motivation to combine need not be found in the references themselves in order to support an obviousness challenge. *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 415 (2007). Thus, 1LSS's argument that "none of Berkley, Baca or Goto provide any motivation for such a hypothetical combination" is a non-starter. POPR, 28.

But 1LSS's argument also misrepresents the facts. Goto expressly discloses that magnetic cards (such as credit cards) can be damaged by nearby magnetic fields and become "unusable." EX1012, 2:14-21; *see* Pet., 15-16. The purpose of Goto's magnetic shielding is to protect cards and other items from this type of magnetic damage. EX1012, 3:9-40; *see* Pet., 15-16. Goto's teachings thus would have motivated a POSA to use Goto's shielding in Berkley's wallet. Pet., 20-22.

1LSS also mischaracterizes the Petition's proffered motivation to combine. The Petition states: "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 within (at least) the bottom surface of Berkley's base 28—between the compartment that holds cards and Baca's magnets—to prevent potential magnetic damage

caused by Baca’s magnets.” Pet., 21. 1LSS quotes this sentence but uses an ellipsis to omit the italicized text, and then argues the Petition does not explain why a POSA would have made the combination. POPR, 29. The omitted text explains why: “to prevent potential magnetic damage caused by Baca’s magnets.” Pet., 21.

C. A POSA would have combined Goto with Zhu and Kinshi.

In a similar vein, 1LSS’s argument—that a POSA would not have combined Goto with Zhu and Kinshi—misrepresents and ignores the record. POPR, 30-32. The Petition explained two situations in which the cards held in Zhu’s and Kinshi’s folio-style wallets would be exposed to magnets and thus benefit from Goto’s shielding: (1) when the phone is removed and the cover is closed and (2) when the user folds back the cover. Pet., 56-58, 88-90. Focusing on the latter, 1LSS asserts “there is no evidence that it was common to fold the cover of the folio back” and that Dr. Phinney’s testimony is “unsupported” and “conclusory.” POPR, 30.

That is plainly untrue. Dr. Phinney’s Declaration includes a subsection on folio-style wallets (§VI.A.2) that uses Lay (EX1022) and several contemporaneous YouTube videos to show it was common to fold back the cover of folio-style wallets while using the phone. EX1003, ¶¶48-52. 1LSS simply ignores this evidence.

D. Each of Baca, Zhu, and Kinshi teaches or suggest element 11.D.

Finally, 1LSS argues that none of Baca, Zhu, or Kinshi teaches that “the first

magnetic arrangement has at least one of a different orientation or a different geometric pattern than the second arrangement.” POPR, 32-37. It asserts that “different orientation” means different direction, and the references fail to teach magnetic arrangements in different directions. *Id.* This argument mischaracterizes the art.

Applying 1LSS’s interpretation (which Apple does not concede is correct), *each* of Baca, Zhu, and Kinshi teaches magnetic arrangements in different directions. Like the ’641 specification, Baca teaches using both horizontal and vertical arrangements. Pet., 42-45; EX1006, FIGs. 2A-2D, 3A. Zhu expressly discloses a first magnet group “arranged horizontally” and a second magnet group “arranged vertically.” Pet., 72; EX1008, ¶29, FIG. 4. And Kinshi teaches a top magnetic arrangement in which the north-to-south direction points right and a bottom arrangement in which the north-to-south direction points left (the opposite direction). Pet., 86-87; EX1010, ¶26, FIG. 4. This feature is thus ubiquitous in the prior art.

Finally, 1LSS’s argument that it was not obvious to duplicate Baca’s surface-side attachment was evaluated and soundly rejected by the Board. POPR, 34; EX1002, 448. 1LSS did not seek rehearing or appeal this factual finding. Nor does it present any new evidence here. Thus, there is no basis to revisit this issue.

V. CONCLUSION

The Director should deny 1LSS’s request and institute the Petition.

Respectfully submitted,

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CERTIFICATE OF SERVICE (37 C.F.R. §§ 42.6(e))

I certify that the above-captioned **PETITIONER'S OPPOSITION TO PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL** and associated Exhibits 1036-1043 were served in their entireties on November 14, 2025, via electronic mail:

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