

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.

ILSS, INC.,
Patent Owner.

IPR2025-01180
Patent No. 11,864,641

**PATENT OWNER'S REPLY IN SUPPORT OF ITS REQUEST FOR
DISCRETIONARY DENIAL**

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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”)
EX2008	Order granting, in part, Defendant Apple Inc.’s Motion to Stay Pending IPR [47]

Petitioner’s opposition confirms what the Patent Owner (PO) has maintained from the outset: this Petition is a thinly veiled attempt to relitigate the same invalidity theories that the Office already thoroughly considered and rejected during prosecution. Petitioner does not—and cannot—dispute that its central invalidity theory rests on Berkley-Baca, which the Office exhaustively examined before concluding that this combination fails to disclose key claim limitations. Substituting in “new” secondary references, *i.e.*, Goto for Gluck and Zhu/Kinshi for Schmidt, falls flat because these “new” references teach nothing material that the prior art of record did not already disclose. Petitioner’s purported distinctions either lack factual support or depend on constructions that contradict those established during prosecution. The *Advanced Bionics* framework exists precisely to prevent the kind of duplicative, resource-draining proceedings Petitioner seeks here. The Board should exercise its discretion to deny institution under Sections 325(d) and 314(a).¹

I. Petitioner Fails to Distinguish Goto From Gluck

Petitioner’s response to the undisputed fact that the Examiner and Board

¹ On November 19, 2025, the Court issued a brief stay until an institution decision, mindful of the Board’s “concerns arising from the ‘current workload and needs of the PTAB.’” EX2008, 6. As such, the Court’s order is not a finding that the *Fintiv* factors favor institution—merely that the Board is better suited to decide this issue.

previously and exhaustively considered its obviousness arguments hinges on its unfounded assertion that its secondary reference purportedly disclosing magnetic shielding (Goto) has “critical teachings” that the previously considered prior art (Gluck) does not. Opp., 6. Petitioner argues that the critical distinction is that Gluck “discloses radio frequency (RF) shielding, not magnetic shielding.” *Id.*, 8. This is demonstrably false. Gluck expressly discloses that “[t]he mount head MH can house or retained thereon a magnet... [t]he magnetic mount head MH should have the ability of magnetically holding and supporting in position the portable device PD with the holder attached thereto...[and] *[a]t the same time, the plate 30 protects or provides shielding for any cards placed in the holder.*” EX1012, ¶ 49 (emphasis added); FIGS. 17-19. Thus, Gluck discloses that its plate shields the card holder from the nearby magnets in the mount head MH.

Petitioner’s argument that Gluck does not disclose placing a shield on the back of the wallet is irrelevant and untrue. As noted, the relevant teaching is whether Gluck discloses a shield between a magnet and the card holder, which it does. EX1012, ¶ 49; FIGS. 17-19. In terms of placement within the wallet, Gluck also teaches that “[t]he size and *location of the plate 30’ can be tailored* to type of portable device, to its center of mass, and/or type of cards retained inside the holder.” *Id.*, ¶ 53 (emphasis added). A POSA reading Gluck would understand that if the magnetic threat came from the device side or back wall (as in the Berkley-Baca combination),

the plate location would be tailored accordingly. The tailoring language in Gluck provides the same teaching Petitioner attributes to Goto—that shielding should be positioned between the magnetic source and the cards requiring protection.

Because Goto addresses magnetic fields from external sources, the leap from Goto’s teachings to the claimed configuration requires the same inferential step that would be required with Gluck—positioning shielding to address whatever magnetic source threatens the cards. As such, it is not materially different from Gluck.

II. Petitioner Fails to Distinguish Zhu/Kinshi From Schmidt

Petitioner's attempt to distinguish Zhu and Kinshi from Schmidt fares no better. Petitioner asserts that Zhu and Kinshi have “different orientations” than Schmidt’s magnets. In doing so, Petitioner mischaracterizes PO’s interpretation of the “different orientation or different geometric pattern” limitation to mean “different directions.” Opp., 20 (referring to the direction of the individual magnets within an arrangement and not the shape of the arrangement). As PO explained during prosecution, it is the geometric shape of the magnetic arrangement that matters—“two circles have the same orientation, that is circles are orientation agnostic.” EX1002, 288, 343-44; Paper 10 at 36-37. Thus, Zhu’s square magnetic arrangements and Kinshi’s circular magnetic arrangements all have the same orientation and geometric shape as do Schmidt’s circular magnetic arrangements. PO DD Request [Paper 9], 11; POPR, 35-37. Moreover, Petitioner has not identified

any material error in the Examiner's focus on Berkley-Baca over Schmidt.

III. Petitioner Fails to Show That The Office Erred

Petitioner's chief reason opposing discretionary denial is based on its claim that the Board and Examiner committed a material error by failing to apply Baca to the "specific orientation" limitation of claim 11 [element 11.E.2]. Opp., 4-5. As a preliminary matter, Petitioner's argument is relevant only to claim 11. Thus, it does *not* change that the Board and Examiner already considered the combination of Berkley-Baca with prior art disclosing magnetic shielding or plate of claims 1-10. More importantly, under *Advanced Bionics*, the petitioner must show the error was "material to the patentability of challenged claims." *Advanced Bionics*, 2020 WL 740292, *3. Even assuming Baca should have applied to the specific orientation limitation of claim 11, claim 11 would still have been allowed because Baca fails to disclose the "different orientation or different geometric pattern" of element 11.D. It is undisputed that Baca discloses only a single magnet array on the device-side attachment. See EX1006, FIGS. 1A-1F; Pet., 15. Petitioner fails to demonstrate that it would have been obvious to transform Baca's singular linear array into two distinct magnetic arrangements, each having a different orientation. Paper 10, 32-35. Thus, even if the Examiner or Board erred by not applying Baca to the specific orientation limitation [11.E.2], it would not have changed the outcome and therefore it is not material to patentability of claim 11. Finally, if the Board believed Berkley-Baca

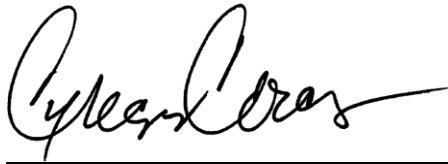
rendered claim 11 obvious, it could have issued a new rejection under Rule 41.50(b). Its decision not to do so reflects a judgment that the claims as a whole—including element 11.D—were patentable over Berkley-Baca. Petitioner cannot transform a deliberate Board decision into “material error” simply by disagreeing with it.

The other purported material error is the failure to recognize prior art magnetic shielding. Opp., 6. As noted (Section I), the Examiner and Board thoroughly examined prior art magnetic shields during prosecution. Paper 9, 10-11; EX1002, 455-56. Petitioner’s disagreement with their findings is not material error.

IV. There Is No Motivation To Combine Zhu/Kinshi With Goto

Petitioner’s motivation for combining Zhu and Kinshi with Goto’s magnetic shield rests on unfounded assertions that cards in the Zhu-Kinshi wallet would be susceptible to magnetic damage when the wallet is folded back. Pet., 56. But Petitioner’s evidence does not support this theory. LeBlanc (EX1027), cited for the proposition that cards could be damaged, does not disclose a folio-style wallet for a mobile device. EX1003, ¶ 275. And while the cited videos show folio-style wallets can be folded back, there is no evidence this was common practice or that the magnets could actually corrupt credit cards in such a configuration. Petitioner does not dispute that Zhu and Kinshi themselves do not identify this problem. Absent evidence that a POSA would have perceived a need to shield cards from magnetic damage in a folio-style wallet, there is no motivation to combine these references.

DATED: November 25, 2025

A handwritten signature in black ink, appearing to read "Gregory S. Cordrey", written in a cursive style.

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CERTIFICATE OF SERVICE

I certify that the **PATENT OWNER'S REPLY IN SUPPORT OF ITS REQUEST FOR DISCRETIONARY DENIAL** in connection with *Inter Partes* Review Case IPR2025-01180 and exhibit EX2008 were served on November 25, 2025 by electronic mail to:

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