

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

JESCO LIGHTING GROUP, LLC,
Petitioner, v.

AGS LIGHTING MANAGEMENT LLC,
Patent Owner.

Case No. IPR2025-01328
Patent No. 11,751,302

**PATENT OWNER'S REQUEST FOR
DISCRETIONARY DENIAL OF INSTITUTION**

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EXHIBIT LIST

Exhibit No.	Description
2001	Letter from AGS Lighting Management to Jesco Lighting Group Regarding Notice of Patent Rights dated October 31, 2023
2002	Letter from Petitioner's attorney Frederick J. Dorchak to Patent Owner's Chief Legal Counsel Seeking Extension dated November 14, 2023
2003	Email Correspondence between Petitioner's attorney Frederick J. Dorchak and Patent Owner's Chief Legal Counsel
2004	Letter from Petitioner's Attorney Frederick Dorchak to Patent Owner's Chief Legal Counsel dated December 7, 2023
2005	Specification Sheet for LBI
2006	Letter from Petitioner's Attorney Frederick Dorchak to Patent Owner's Chief Legal Counsel dated January 25, 2024
2007	Screenshot of YouTube Video attached to Letter dated January 25, 2024
2008	Letter from Patent Owner's Attorney Jayne Piana to Frederick Dorchak dated February 8, 2024
2009	E-mail from Petitioner's Attorney David Radulescu to Patent Owner's representatives and counsel dated March 7, 2024
2010	E-mail from Petitioner's counsel in district court seeking extension to respond dated February 12, 2025
2011	E-mail from Petitioner's Attorney David Radulescu with attachment dated February 26, 2025
2012	G. Quinn, <i>Stewart Says USPTO Wants Early Validity Challenges, Not Late IPRs</i> , IP Watchdog (June 10, 2025)
2013	E-mail correspondence between Petitioner's and Patent Owner's district court counsel regarding extension to respond to complaint
2014	Docket in related litigation, Case No. 1:25-cv-00141, last accessed September 30, 2025

Exhibit No.	Description
2015	E-mail from Petitioner's counsel to Patent Owner's counsel dated August 14, 2025
2016	Jesco Lighting Group's Answer and Counterclaims in related litigation Case No. 1:25-cv-00141
2017	Specification Sheet for Patent Owner's Affiliate's Linear Lighting Product Listing '302 Patent

I. Introduction

This Petition should be denied. This case presents the unique circumstance where the Patent Owner notified Petitioner during the post grant review (PGR) period—just weeks after the '302 Patent issued—and the Petitioner failed to file a PGR. Worse, in response to that notice letter, Petitioner delayed and then ultimately responded by alleging that system art purportedly anticipated the patent claims—all the more reason that Petitioner should have filed a PGR if it truly believed that there was anticipatory, invalidating system art. Even after that, Petitioner did nothing. Despite notice, Petitioner let the PGR period expire without raising its issues. Despite notice, the Petitioner then waited nearly two years to file this Petition.

This is precisely the factual situation the Office is seeking to further its goal of encouraging litigants to bring early PGR challenges. In very few cases will a Petitioner be given notice of a patent during the PGR period. In even fewer cases will a Petitioner respond claiming its best art is anticipatory system art. By denying this Petition under these specific facts, the Office will further its goal of encouraging early validity challenges, such as PGRs, rather than post-litigation IPRs.

Second, the Petition is facially weak, based solely on obviousness grounds with extensive use of expert testimony simply parroting (and oftentimes mirroring)

the Petition itself. A Petition based solely on obviousness grounds with extensive use of expert testimony to fill the gaps only highlights the Petition's weakness, particularly considering Petitioner's claims of anticipatory system art. With these facts, the Petitioner will not be able to provide convincing reasons why this IPR would be an appropriate use of Board resources.

Third, the totality of the *Fintiv* factors favors denial. The Petitioner's filing of a meritless motion unnecessarily delayed the district court case at the answer stage. Petitioner has not filed a *Sotera* stipulation, and even if it had, it would not meaningfully reduce the issues in the district court case because it has raised (and continues to raise) purported system art that cannot be resolved in an IPR.

II. The Director Should Exercise Discretion and Deny Institution Because Multiple Discretionary Considerations Favor Denial

The March 2025 Process Memorandum includes additional considerations for the Director's exercise of discretion to deny institution of trial. Many of those considerations merit denial of this Petition.

A. Patent Owner's Settled Expectations Strongly Favor Denial

Under the guidance, the Director can consider "[s]ettled expectations of the parties" when deciding whether to exercise discretion to deny institution. PTAB Workload Management Memo, 2. This case presents the unique circumstance where the Patent Owner notified Petitioner of infringement of the '302 Patent

weeks after the patent issued—during the PGR period—and the Petitioner delayed challenging the patent.

The following paragraph details the timeline of events, which is also included in the summary table in Section II.B. The '302 Patent issued on September 5, 2023. Ex. 1001. Less than two months later, by letter dated October 31, 2023, Patent Owner contacted Petitioner regarding infringement of the '302 Patent, with an offer to discuss licensing until November 15, 2023. Ex. 2001. Two weeks later, on November 14, 2023, Petitioner responded, asking for more time to investigate. Ex. 2002. The very next day, on November 15, 2023, Patent Owner gave Petitioner until December 7, 2023 to respond, given the holidays. Ex. 2003 at 2. Thirty-seven days after the initial letter, on December 7, 2023, Petitioner responded by alleging that “the technology to which the subject patent is directed has been available before the filing date of that patent, which raises serious questions about the validity of same.” Ex. 2004. With that letter, Petitioner attached a specification sheet regarding a product manufactured by Light Efficient Design. Ex. 2005. Thus, Petitioner alleged purportedly invalidating system art based on a specification sheet.

After Petitioner and Patent Owner had a call on December 11, 2023, Patent Owner agreed to allow Petitioner time to conduct further due diligence until the end of January 2024, “with the express agreement to attempt to finish sooner as

time [was] of the essence.” Ex. 2003 at 1. It took forty-five days for Petitioner to respond, and on January 25, 2024, Petitioner doubled down, again alleging that the claims of the ’302 Patent are “clearly invalid” over an LED lighting apparatus system described in a YouTube video about a Light Efficient Design product and that it “considered the matter closed.” Ex. 2006 at 1; Ex 2007. Just two weeks later, on February 8, 2024, Patent Owner responded, disagreeing with Petitioner’s position and stating that Patent Owner had accommodated Petitioner’s multiple extension requests to date and was prepared to enforce its patent rights. Ex. 2008. Patent Owner gave Petitioner a deadline of February 16, 2024 to respond regarding licensing discussions. *Id.*

Nearly a month later, on March 7, 2024, Petitioner responded (with new counsel who is of record in this IPR). In that correspondence, counsel backed away from its invalidity position and sought clarification on Patent Owner’s infringement position. Ex. 2009. No further substantive discussions were had after that correspondence. Three months later, the PGR period for the ’302 Patent expired.

Patent Owner filed the district court case on February 4, 2025. Ex. 2014. Following the filing of the district court case, Petitioner asked for a lengthy extension and then contacted Patent Owner to continue the conversations regarding the ’302 Patent. Ex. 2010; Ex. 2011. Shortly before the scheduled call, Petitioner

provided a claim chart for purportedly anticipatory system art that Petitioner claimed invalidated ***just one*** of the 20 claims of the '302 Patent. Ex. 2011 at 6. This Petition followed five months later, based on patents, and not the purportedly anticipatory system art.

Here, Patent Owner's settled expectations and Petitioner's delay weigh in favor of discretionary denial. Despite notice of the '302 Patent during the PGR period and despite its contention of "clearly invalid[ating]" system art which it knew of early during the PGR period, Petitioner failed to bring a PGR challenge. Petitioner continued to wait—*nearly two years* from actual knowledge of the '302 Patent—to file this Petition. In all that time and despite its longstanding knowledge of the '302 Patent, Petitioner did not seek review sooner, thereby creating a solid basis for Patent Owner's settled expectations. *See Samsung Electronics Co., Ltd. v. Genghiscomm Holdings LLC*, IPR2025-00793, Paper 12 at 2 (PTAB August 22, 2025) (granting patent owner's request for discretionary denial for patent roughly 2.5 years old at the time of the Petition and noting that "[a]lthough the patents challenged in these proceedings have not been in force for as long as those in IPR2025-00780 and IPR2025-00781, this fact alone does not tip the balance against discretionary denial").

The Director's discretionary denial decision in *iRhythm Techs., Inc. v. Welch Allyn, Inc.*, IPR2025-00363, Paper 10 (PTAB Jun. 6, 2025) is also applicable here.

There, the Director found that “settled expectations favor denial of institution” based on the “Petitioner’s awareness of Patent Owner’s applications and failure to seek early review of the patents,” which outweighed other considerations like the trial date after final written decision; little investment by the parties in the district court case; and the likelihood of a stay. *Id.* at 2-3.

Unlike in *iRhythm* where the petitioner’s knowledge was shown through citation in an information disclosure statement, here, Petitioner gained knowledge of the ’302 Patent through an express notice of infringement (Ex. 2001) and then waited nearly two years before filing an IPR. Moreover, Petitioner’s shift of focus from invalidity to non-infringement in response to Patent Owner’s position in pre-suit discussions is important. Both facts make Patent Owner’s expectation that the validity of the ’302 Patent would not be challenged stronger than the expectation in *iRhythm*.

Likewise, even though the ’302 Patent is slightly over two years old, because Petitioner had actual notice of it, Petitioner’s failure to seek early review of this patent favors denial. *See Nvidia Corp. v. Neural AI, LLC*, IPR2025-00606, Paper 18 at 2-3 (PTAB July 31, 2025) (denial appropriate even though patent was reissued in 2023 because petitioner had actual notice due to fact that patent owner sent petitioner a presentation with its patent portfolio, which included the original patent from which the challenged patent was reissued); *see also Belden Inc. v.*

Commscope, Inc., IPR2025-00833, Paper 13 at 2-3 (PTAB September 12, 2025)

(denial appropriate when petitioner had been aware of the challenged patent since at least 2022, even though trial would likely occur after final written decision).

The circumstances favoring denial are particularly strong here because Patent Owner provided Petitioner with notice of the patent and its infringement during the PGR period; Petitioner responded with purportedly invalidating “system art,” and even then, Petitioner still failed to file a PGR. The Office has repeatedly signaled its preference for PGRs when they are possible. *See, e.g., LifeVac v. DCSTAR*, IPR2025-00454, Paper 11, 2 (PTAB July 11, 2025) (“[P]etitions for post-grant review are favored because they must be filed no later than nine months from the grant of the patent (35 U.S.C. §321(c)), are close in time to examination, and occur before expectations in the patent rights are strongly settled.”); Ex. 2012 (Article from June 2025 noting that “[t]hrough the new PTAB processes the Office is trying to send a message to stakeholders—do not wait to file an IPR. Use ... PGR to address concerns about ... recently issued patents.”). Petitioner was notified of the ’302 Patent shortly after issuance. Petitioner had nearly seven months to file a PGR, yet Petitioner did not avail itself of PGR. In doing so, Petitioner avoided the higher institution threshold and stronger estoppel under the PGR statutes. 35 U.S.C. § 324(a), § 325(e). This alone constitutes gaming the

system to the prejudice of Patent Owner and undermines the Office's policy favoring early challenges.

This is not a situation where Patent Owner put Petitioner on notice of multiple unrelated patents that would be burdensome to challenge in the PGR period. Patent Owner told Petitioner that it infringed only the '302 Patent, just a few weeks after its issuance. At that time, Petitioner had one job if it wanted to challenge the validity of the '302 Patent in the Patent Office: get a PGR petition on file. Instead, Petitioner chose to squander its opportunity to present its system art and intentionally delay resolution of the validity issues in this matter.

Under these facts, this factor strongly favors discretionary denial.

B. Petitioner's Delay Games Should Not Be Rewarded

Petitioner delayed both the filing of its Petition and the pending district court case. After being served with the complaint, Petitioner sought a lengthy 60-day extension to answer in the district court case. Ex. 2010. While Patent Owner offered the standard 30-day extension, Petitioner then asked for 45-days, and ultimately settled for 30 days. Ex. 2013. Petitioner gave no reason for its request, but the reason was apparent—it sought to delay this case right from the outset.

After its 30-day extension, Petitioner then filed a meritless motion to dismiss the entire complaint, which was denied in *its entirety* from the bench by oral order at the motion hearing on July 24, 2025. Ex. 2014 at 2. The motion had another

effect though: it put the district court case at a standstill until the Court ruled on the motion. By July 24, 2025, Petitioner’s actions had already delayed the case by over 5 months. Just days before the hearing, on July 19, 2025, this Petition was filed—a further effort by Petitioner to delay.

But the delay did not stop there. Following the hearing, the Court ordered the parties to confer on a schedule. In response to Patent Owner’s request for a conference, Petitioner led with one simple question highlighting its motivation to delay the co-pending case: “Before the parties get too far along can you advise if AGS would be amendable to stipulating to a stay pending the PTAB’s institution decision?” Ex. 2015. It is plain that Petitioner is using this IPR not to resolve any issues in the parties’ dispute, but to delay resolution.

A summary of Petitioner’s delay from the point it was notified of the ’302 Patent (the factual basis which can be found in Section A) through the resolution of the motion to dismiss at the district court can be seen in the table below:

Date	Event	Petitioner’s Delay
September 5, 2023	’302 Patent Issued Post-Grant Review Window Opened	

Date	Event	Petitioner's Delay
October 31, 2023	Patent Owner contacted Petitioner regarding '302 Patent and infringement	
November 14, 2023	Petitioner sought an extension to respond	
December 7, 2023	Petitioner responded by alleging "serious" invalidity questions based on system art	23-day delay
December 11, 2023	Patent Owner and Petitioner had discussions where Petitioner wanted more time	
January 25, 2024	Petitioner responded with system art that purportedly "clearly" invalidated the patent claims and considered the matter closed.	45-day delay

Date	Event	Petitioner's Delay
February 8, 2024	Patent Owner responded disagreeing with Petitioner, and indicated it would give Petitioner until February 16, 2024 to consider licensing discussions.	
March 7, 2024	Petitioner contacted Patent Owner, backing away from invalidity, and focusing on alleged non-infringement	28-day delay
June 5, 2024	Post Grant Review Window Closed	
February 4, 2025	Patent Owner filed district court case	
February 12, 2025	Petitioner sought a 60-day extension, then a 45-day	

Date	Event	Petitioner's Delay
	extension, and ultimately settled on the standard 30-day extension to respond to the district court case.	
February 26, 2025	Petitioner contacts Patent Owner with purportedly invalidating system art	
March 27, 2025	Petitioner files motion to dismiss entire case, which delayed case until hearing.	
July 19, 2025	Petitioner filed this IPR Petition based on obviousness.	
July 24, 2025	Court denies motion in its entirety and asks parties to submit a proposed schedule within 30 days.	170-day delay

Date	Event	Petitioner's Delay
August 14, 2025	Petitioner asks Patent Owner to stipulate to a stay	

In total, Petitioner has delayed resolution of this dispute by at least 265 days (nearly the equivalent of the entire PGR period). Petitioner should not be rewarded for its constant attempts to delay resolution of this dispute, both at the Patent Office and in the district court case. This consideration strongly favors discretionary denial.

C. The Petition's Reliance on Unfocused, Conclusory Expert Testimony Warrants Denying Institution

Petitioner submitted a 177-page expert declaration to support the Petition. The scope of the declaration weighs against institution. *See* FAQs for Interim Processes for PTAB Workload Management #22 (“The failure to provide focused expert testimony may weigh against institution.”). As the Office has explained, “[w]hile the Board may consider expert testimony, as a matter of efficiency, extensive reliance on expert testimony and/or reasonable disputes between experts on dispositive issues may suggest that the questions are better resolved in an Article III court.” *Id.*

While the Petition is “only” 117 pages, the expert’s declaration totals **177** pages with **351** numbered paragraphs. The Petition cites to and substantively relies on the declaration at least **170** times, directing the Board to consult the declaration for effectively every argument for every claim. This is a far cry from “efficient” or “focused” expert testimony. Such heavy reliance on expert testimony is more appropriate in the parallel district court case where the expert’s testimony can be heard live and his credibility assessed firsthand. Such heavy citation of expert testimony in the Petition also calls into question whether Petitioner properly bases its validity challenge on prior art or backfills its challenge based on the say-so of its expert. As shown below, Petitioner uses its expert to heavily backfill its validity challenge, warranting denial of this Petition.

1. The Expert Testimony and Attorney Argument are Nearly Verbatim Copies

Large swaths of the Petition and expert declaration are identical. The identical nature of the Petition and expert testimony is more than parroting—it is mirroring. Excluding formatting and numbering, highlighted in yellow below are the only differences in word choice between the Petition and the declaration as it pertains to claim 10 elements [10a]-[10g]:

202. Additionally, the following features are substantially identical between claim 1 and claim 10 and accordingly for these elements of claim 10 these limitations are rendered obvious by Edwards in view of Sadwick based on the disclosures and analysis for the corresponding elements in claim 1, which I incorporate by reference into my analysis.

Claim Feature	Claim 10	Claim 1
A lighting apparatus that is modular	10[a]	1[pre](Lighting apparatus) 1[h] modular

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Declaration of Dr. J. Gary Eden

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Claim Feature	Claim 10	Claim 1
plurality of LEDs having first color temperature, and in linear form factor	10[b]	1[b]
driver outputting plurality of currents	10[c]	1[d]
Switch assembly	10[d]	1[e]
Switch for outputting current	10[e]	1[f]
Switch for coupling first plurality of currents to LEDs	10[f]	1[g]
Connector for adjoining fixture	10[g]	1[h]

Compare Ex. 1002 ¶202 with Petition at 35-36. The same holds true for independent Claim 18(a)-(k), except there are no differences in substance.

Compare Ex. 1002 ¶242 with Petition at 45-47. Inserting “my analysis” and “I” into the text does not render the expert something more than a mouthpiece for Petitioner’s attorney.

This is the opposite of “focused expert testimony” the Office has requested. Petitioner’s extensive reliance on unfocused expert testimony that largely mirrors the Petition weighs in favor of denial because that testimony should be given no weight. *See Kinetic Techs., Inc. v. Skyworks Solutions, Inc.*, IPR2014-00529, Paper 8 at 15 (PTAB Sep. 23, 2014) (“Merely repeating an argument from the Petition in the declaration of a proposed expert does not give that argument enhanced probative value.”); *Facebook, Inc. v. Windy City Innovations, LLC*, 973 F.3d 1321, 1340–41 (Fed. Cir. 2020) (affirming Board decision giving no weight to expert testimony that “merely repeated Petitioner’s argument, nearly verbatim, without citation to the basis for his testimony”); *Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 9, 15-17 (PTAB Aug. 24, 2022) (designated precedential) (according “little weight” to declaration testimony that contains a verbatim restatement of a petition’s conclusory assertions without additional supporting evidence or reasoning); *TikTok Inc. v. NTech Properties, Inc.*, IPR2024-01339, Paper 9 at 16 (PTAB Feb. 25, 2025) (denying institution and giving little to no weight to an

expert declaration that “repeats, almost verbatim, the language in the Petition without any further explanation or supporting reasoning or evidence”).

2. The Petition Relies Heavily on “Common Sense” Based on the Expert’s Say-So

The Petition does not present any anticipatory prior art under 35 U.S.C.

§ 102. Instead, the Petition relies *solely* on obviousness arguments based on combinations of art. “Rejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.” *KSR Int’l v. Teleflex Inc.*, 550 U.S. 398, 418 (2007); *see also Qiagen North American Holdings, Inc. v. HandyLab, Inc.*, No. 2020-2249, 2021 U.S. App. LEXIS 32391, at *13-16 (Fed. Cir. 2021) (affirming Board’s denial of obviousness when “Petitions offered only a single conclusory statement regarding the POSA’s alleged reasonable expectation of success and Qiagen’s expert offered only conclusory statements on this issue”).

The Petition only provides such conclusory statements. Specifically, for Grounds 1 and 3 (the independent claims), the numerous cross-references to other claims and limitations are confusing, convoluted, and require the Board to ***ignore the actual claim language***—taking the expert’s word that claim limitations are

summarily and “substantially” the same. *See* Table in Section II.C.1. This is a fatal flaw of the Petition.

Moreover, the Petitioner relies on its expert (for nearly every claim element) to fill numerous gaps in the prior art, alleging that “a POSA would understand,”¹ “a POSA would be motivated,”² and that “a POSA could implement.”³ For example, in Ground 1 alone, such statements appear over 30 times. And Petitioner’s expert cites no corroborating evidence to support his opinions regarding these interpretations of the references.⁴ The Petition similarly relies heavily on the expert declaration for Ground 3, making similar statements to fill gaps in the prior art, approximately 25 more times. By using these phrases, the Petitioner and its expert are attempting to rely on the mere assertion of “common sense” to gloss over the deficiencies of its combinations/modifications without providing any

¹ Ex. 1002 at ¶¶148, 156, 165, 178, 179, 181, 198, 199, 209, 211, 220, 235, 237, 239, 243, 256, 266, 270, 278, 280, 282, 284, 288, 289, 298, 308, 310, 318, 322, 330, 333, 335, 339, 348.

² Ex. 1002 at ¶¶153, 160, 184, 189, 191, 195, 209, 228, 232, 233, 235, 236, 246, 252, 255, 257, 261, 274, 285, 289, 294, 295, 308, 326, 340.

³ Ex. 1002 at ¶¶152, 154 (“easily implement”), 252, 276 (“easily add”).

⁴ *See, e.g.*, Ex.1005 at ¶180 (“A POSA would also understand (in light of the earlier discussion concerning claim elements 1[pre]-1[h]) that a second fixture electrically connected to the first fixture would necessarily be able to produce ‘a third light having the first color temperature via a third plurality of LEDs or a fourth light having the second color temperature via a fourth plurality of LEDs.’”)

reasoned basis to meet the bar set for the use of “common sense.” *See DSS Tech.*

Mngt., Inc. v. Apple Inc., 885 F.3d 1367, 1375 (Fed. Cir. 2018).

For example, during prosecution, claim 1 was amended to add limitation 1[h], “wherein the linear LED lighting apparatus is configured to electrically couple to an additional linear LED lighting apparatus having a second length different than the first length by a scale factor, wherein the additional linear LED lighting apparatus is configured to produce a third light having the first color temperature via a third plurality of LEDs or a fourth light having the second color temperature via a fourth plurality of LEDs.” Ex. 1004 at 146.

Here, with respect to Ground 1, it is only expert testimony that purports to supply the majority of the 1[h] limitation, namely “wherein the additional linear LED lighting apparatus is configured to produce a third light having the first color temperature via a third plurality of LEDs or a fourth light having the second color temperature via a fourth plurality of LEDs”:

In the second fixture, the “third light having the first color temperature via a third plurality of LEDs” would correspond to the light produced by the first plurality of LEDs of the first fixture and the “fourth light having the second color temperature via a fourth plurality of LEDs” would correspond to the second light produced by the second plurality of LEDs of the first fixture. Ex.1002¶180.

Petition at 30. Then, looking at paragraph 180 of the expert's declaration which is cited in that section, the expert relies on "common sense" or in his words, what "a POSA would also understand" without any reasoned analysis or evidentiary support:

180. Finally, a POSA would also understand (in light of the earlier discussion concerning claim elements 1[pre]-1[h]) that a second fixture electrically connected to the first fixture would necessarily be able to produce "a third light having the first color temperature via a third plurality of LEDs or a fourth light having the second color temperature via a fourth plurality of LEDs." That is the "third light having the first color temperature via a third plurality of LEDs" would correspond to the light produced by the first plurality of LEDs of the first fixture and the "fourth light having the second color temperature via a fourth plurality of LEDs" would correspond to the second light produced by the second plurality of LEDs of the first fixture. In plain language, the ability to electrically connect linear lamp fixtures (or any lamp fixture, for that matter) in series allows for an installer to produce light from the second fixture, and the following fixtures in series, having the same characteristics as that generated by the first lamp fixture.

Ex. 1002 ¶180. Petitioner's expert just regurgitates the claim language back without any support.

As stated in the Memorandum dated July 31, 2025, regarding Enforcement and Non-Waiver of 37 C.F.R. § 42.104, "expert testimony, common sense, and other evidence that is not 'prior art consisting of patents or printed publications' (collectively, 'general knowledge') may not supply a missing limitation." Here,

Petitioner relies heavily on this general knowledge for element 1[h], which was one of the bases for allowance. The legal authorities cited pre-date the Petition. *See* 35 U.S.C. § 312(a)(3); 37 C.F.R. § 42.104(b)(4); *Qualcomm Inc. v. Apple Inc.*, 24 F.4th 1367, 1373-77 (Fed. Cir. 2022); *see also* *DSS*, 885 F.3d at 1375. Here, element 1[h] is missing from the references, and Petitioner uses purported “general knowledge” to fill the gaps. Accordingly, the Petitioner’s extensive use of expert testimony to fill the gaps of its references weighs in favor of denial.

3. Motivations to Combine or Modify Have No Analysis and Rely on the Expert’s Say-So and Improper Hindsight

Aside from the expert’s gap filling, Petitioner’s (and expert’s) motivation to combine or modify reasoning typically consists of a single paragraph without analysis and citations.

The Petition argues obviousness based on a combination of references against the independent claims, yet provides an incomplete *Graham* analysis, lacking an indication of what the differences might be; what would need to be modified; and why a person of skill in the art would be motivated to modify the primary references with the teachings of the secondary reference. This is important to avoid hindsight bias. *Ruiz v. A.B. Chance Co.*, 234 F.3d 654, 664 (Fed. Cir. 2000).

As Patent Owner will explain in detail in its forthcoming POPR, the fundamental problems with Petitioner's grounds, include, among other things, the completely erroneous application of prior art based on mischaracterizations of the references. Further still, as will be explained in more detail in the POPR, Petitioner fails to properly address the *Graham* factors in its analysis. In accordance with the Interim Processes FAQs, Patent Owner incorporates herein by reference the merit arguments and evidence from its forthcoming POPR. Interim Processes FAQ No. 26 ("Notwithstanding the prohibition on incorporation by reference in 37 C.F.R. § 42.6(a)(3), when filing a brief for discretionary denial, a patent owner may direct attention to an anticipated POPR and evidence for a discussion of the merits.").

Patent Owner's preliminary response will present expert testimony explaining why Petitioner's arguments and inferences are incorrect and do not meet the claim limitations. Because the entire Petition is premised on obviousness, the extensiveness of competing expert testimony better suits that this dispute be resolved in district court, where experts can present live testimony with cross-examination. This factor thus favors denial of institution.

III. The Totality of the *Fintiv* Factors Strongly Favors Discretionary Denial

The Director has considered six non-exclusive factors in determining whether discretionary denial due to efficiency considerations relating to parallel proceedings is appropriate (the “*Fintiv* factors”):

1. whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted;
2. proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision;
3. investment in the parallel proceeding by the court and the parties;
4. overlap between issues raised in the petition and in the parallel proceeding;
5. whether the petitioner(s) and the defendant in the parallel proceeding are the same party; and
6. other circumstances that impact the Board’s exercise of discretion, including the merits.

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 6 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv I*”); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 7-8 (PTAB May 13, 2020) (informative, designated July 13, 2020) (denying institution) (“*Fintiv II*”). Here, all *Fintiv* factors are neutral or favor denial.

A. Petitioner Has Not Sought a Stay (*Fintiv* Factor 1)

The first *Fintiv* factor—whether a stay exists or is likely to be granted if a proceeding is instituted—either is neutral or weighs in favor of denial because Petitioner has not sought a stay. The underlying litigation was filed in February 2025 and remains pending. Petitioner has not filed a motion to stay, despite its request to Patent Owner to stipulate to a stay. Ex. 2015.

To the extent the Director is unpersuaded regarding whether a stay would or would not be granted where no stay has been sought by Petitioner, any evidence on this factor is at best neutral. *Fintiv II* cautions against speculating whether the District Court would grant a stay if one were requested because requests for a stay are fact specific. IPR2020-00019, Paper 15 at 12. Thus, *Fintiv* factor 1 favors denial or is neutral.

B. Proximity of Trial Favors Denial or is Neutral (*Fintiv* Factor 2)

Trial in the district court case is set for December 2027. The current delay in the district court schedule is due to Petitioner's filing of a motion to dismiss, which delayed the current schedule by 170 days—or almost 6 months. *See* Section II.B. Had Petitioner not filed a motion to dismiss for purposes of delay, the district court case and the final written decision would have occurred within months of each other. Had Petitioner not filed its motion to dismiss, contentions would have been exchanged and nearly a year of discovery would have occurred before the

institution decision. But for the Petitioner's actions, the district court case would have proceeded expeditiously. The Director should consider under this factor to what extent either party was at fault for delaying the district court case to obtain a tactical advantage. If not favoring denial, this factor should be neutral because Petitioner's actions solely caused delay in the district court case. Moreover, as noted above, because Petitioner had actual notice of the '302 Patent during the PGR period and failed to seek early review, that the trial date may occur after a final written decision still weighs in favor of denial. *See Belden*, IPR2025-00833, Paper 13 at 2-3 (denial appropriate when Petitioner had been aware of the challenged patent since at least 2022, even though trial would likely occur after final written decision); *iRhythm Techs.*, IPR2025-00363, Paper 10 at 2-3 (failure to seek early review outweighed low investment of the parties and trial date being later than final written decision).

C. Investment in Parallel Proceeding Favors Denial (*Fintiv* Factors 3)

Here, too, Patent Owner requests that the Director should not only consider the district court's investment in a proceeding, but also to what extent either party was at fault for delaying the case to obtain a tactical advantage.

In this instance, Petitioner's motion to dismiss ensured that the district court case never got off the ground, leading to a 170-day delay between filing and resolution of Petitioner's motion to dismiss. Petitioner's approach was quite clear:

extension; substantive motion to dismiss; IPR petition shortly before motion hearing, likely knowing the motion was going to be denied.

Petitioner chose to prioritize a substantive fact-specific, dispositive motion to dismiss ahead of this Petition, filing it just days before the hearing on the motion to dismiss. As a result of Petitioner's strategy, the district court and both parties have invested time and resources in the district court case, briefing a motion to dismiss (with multiple briefs and demonstratives), preparing for and attending a hearing on that motion, and resolving scheduling disputes. These circumstances favor discretionary denial. *See 10X Genomics, Inc. v. President and Fellows of Harvard College*, IPR2023-01299, Paper 15, at 18 (PTAB Mar. 7, 2024) (noting that the district court's consideration of two motions to dismiss and several discovery disputes, among other things, evince investment of "a significant amount of time and resources to the parallel proceeding").

To ensure that IPRs serve their purpose of streamlining litigation and promoting just and efficient resolution, the Director should consider Petitioner's actions in related proceedings under this factor when exercising discretion to deny institution. When Petitioner has deliberately chosen to burden the district court with a meritless motion and then present the Board with a weak obviousness Petition, the Board's time and resources would best be used elsewhere.

This holds true especially in this case. Had Petitioner wanted to commit to addressing validity at the Patent Office, it could have filed a PGR based on its alleged anticipatory system art that it knew about nearly two years ago. It did not. *Fintiv* factor 3 should weigh in favor of discretionary denial. See *iRhythm Techs.*, IPR2025-00363, Paper 10 at 2-3 (failure to seek early review outweighed low investment in parallel litigation).

D. Overlap of Issues Weighs in Favor of Discretionary Denial (*Fintiv* Factor 4)

“[I]f the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, this fact has favored denial.” *Fintiv* I at 12. In this IPR, the Petition challenges all of the ’302 Patent claims. Thus, there is complete overlap of the principal patentability issues in this IPR that would, if instituted, be relitigated in the parallel litigation. An IPR here would not be a “true alternative” to the district court litigation. For example, Petitioner’s declaratory judgment counterclaim on invalidity points to the Edwards reference as a basis for invalidity, the same one asserted in the IPR. Ex. 2016 at 10-12.

Petitioner has not filed a *Sotera* stipulation, and even if it had, that does not preclude Petitioner from presenting system art theories, which it has already raised with Patent Owner. Ex. 2011. *Sotera* stipulations also do not preclude Petitioner

from presenting system prior art theories to the district court based on patents and printed publications previously presented to the Board in an IPR. *Ingenico Inc. v. IOENGINE, LLC*, 136 F.4th 1354, 1366-67 (Fed. Cir. 2025) (limiting IPR estoppel under 35 U.S.C. § 315(e)(2) to “grounds” which could have been raised in the IPR). Especially in this case, any kind of *Sotera* stipulation will not ensure that an IPR is a “true alternative” to district court litigation because Petitioner intends to raise system art. Ex. 2011. The Board in *SAP America* found the *Sotera* stipulation would not ensure that the IPR would be a “true alternative” to the parallel litigation and concluded that *Fintiv* factor four favored discretionary denial. *SAP Am., Inc. v. Cyandia, Inc.*, IPR2024-01432, Paper 14 at 9-10 (PTAB Apr. 7, 2025). So too here—an IPR would not be a “true alternative” to the parallel litigation because Petitioner intends to raise system art. Ex. 2011. *Fintiv* factor 4 favors denial.

E. The Same Parties are in the District Court Litigation, Favoring Denial (*Fintiv* Factor 5)

The parties here are the same as the parties in the district court litigation. *Fintiv II* at 15 (“Because the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial.”). There is no basis to take away Patent Owner’s constitutional right to a trial on the merits of its claims. Moreover, proceeding in parallel with the district court litigation is an inefficient use of PTAB time and resources. *Fintiv* factor 5 strongly favors denial.

F. The Additional Factors Discussed Herein Favor Denial (*Fintiv* Factor 6)

As discussed above in Section II, other circumstances merit denial of this Petition, such as Petitioner's failure to bring a PGR when given specific notice of the '302 Patent and infringement weeks after the patent's issuance (Section II.A); Petitioner's gamesmanship in delaying the district court case (Section II.B); and the weakness of the Petition as exemplified by the heavy reliance on unfocused expert testimony (Section II.C). Petitioner's actions before the PTAB and in district court are designed to duplicate efforts, gain multiple invalidity attempts, and cause delay.

Moreover, denying trial promotes American innovation and manufacturing. Patent Owner AGS Lighting Management is an American company with affiliated manufacturing facilities in Texas. One inventor of the '302 Patent, Peter DallePezze, founded AGS Lighting Management and developed the patented technology. Through his company, Mr. DallePezze began manufacturing linear lighting products in the United States. Ex. 2017 at 2 (specification sheet for Patent Owner's affiliate noting products are manufactured in USA and listing the '302 Patent).

By contrast, Petitioner did not develop and does not manufacture the products accused of infringement in the district court case. Rather, Petitioner imports its products that are manufactured in China by Sundopt LED Lighting

Company. Ex. 2006. Denying this Petition not only promotes American innovation but also promotes the administration's policies of promoting American manufacturing.

These considerations also strongly favor denial.

IV. Conclusion

For the reasons above, Patent Owner respectfully requests that the Director exercise discretion and deny institution of *inter partes* review under these facts.

Respectfully submitted,

Date: October 1, 2025

By: /Bradley S. Bowling/
Bradley S. Bowling (Reg. # 52,641)
Lisa M. Thomas (Reg. #60,913)
CADWELL CLONTS REEDER &
THOMAS LLP
5373 W. Alabama St., Suite 457
Houston, TX 77056
Tel: (713) 360-1560
Fax: (940) 233-8587
lthomas@ccrtlaw.com
bbowling@ccrtlaw.com

Jim Thomas (Reg. # 71,611)
FLETCHER YODER
11450 Compaq Center W Dr #300
Houston, TX 77070
Tel: (281) 970-4545
Fax: (281) 970-4503
thomas@fyiplaw.com

Counsel for Patent Owner

CERTIFICATE OF COMPLIANCE

Pursuant to 37 C.F.R. § 42.24(d), the undersigned certifies that this Brief in Support of Discretionary Denial complies with the type-volume limitations of 37 C.F.R. §§ 42.24(b)(1) because it contains 5,857 words, as determined by the word-processing program used to prepare the brief, excluding the parts of the brief exempted by 37 C.F.R. § 42.24(a)(1).

Respectfully submitted,

Date: October 1, 2025

By: /Bradley S. Bowling/
Bradley S. Bowling (Reg. # 52,641)

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing PATENT OWNER'S
REQUEST FOR DISCRETIONARY DENIAL OF INSTITUTION was served
electronically via email on October 1, 2025, on the following counsel of record
for Petitioner:

David Radulescu
david@radip.com

Bryon Wasserman
bryon@radip.com

RADULESCU LLP

Respectfully submitted,

Date: October 1, 2025

By: /Bradley S. Bowling/
Bradley S. Bowling (Reg. # 52,641)