

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TOUGHBUILT INDUSTRIES, INC.,
Petitioner,
v.
MERIDIAN INTERNATIONAL CO., LTD.,
Patent Owner.

Case IPR2025-01461
Patent 11,986,946

**PATENT OWNER MERIDIAN INTERNATIONAL CO., LTD.'S
DISCRETIONARY DENIAL BRIEF**

TABLE OF CONTENTS

	Page
I. INTRODUCTION	1
II. FACTUAL BACKGROUND AND PROCEDURAL HISTORY	2
III. LEGAL AUTHORITY	3
IV. THE <i>FINTIV</i> FACTORS SUPPORT DISCRETIONAL DENIAL OF THIS IPR	5
A. Factor One: Whether a stay exists or is likely to be granted if a proceeding is instituted.....	5
B. Factor Two: Proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision.....	5
C. Factor Three: Investment in the parallel proceeding by the court and the parties.....	5
D. Factor Four: Overlap between issues raised in the Petition and in the parallel proceeding.	7
E. Factor Five: Whether the petitioner and the defendant in the parallel proceeding are the same party.....	9
F. Factor Six: Other circumstances that impact the Board’s exercise of discretion, including the merits.....	9
a. ToughBuilt’s Petition fails to identify, “with particularity” the evidence upon which it relies.	9
b. ToughBuilt’s Petition fails to create a reasonable expectation that a single claim would be found to be invalid, and therefore denial under 35 U.S.C. § 325(d) is warranted.....	10
i. Petitioner relies on art that was previously considered by the Office or is cumulative of art that was previously considered by the Office.	11

ii.	Petitioner fails to identify any material error by the Office that would warrant reconsideration of this art.	15
iii.	ToughBuilt’s Petition is overly reliant on expert testimony to try and create a case for invalidity where none exists.....	17
V.	CONCLUSION.....	18

TABLE OF AUTHORITIES

	Page(s)
Cases	
<i>Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH,</i> IPR2019-01469, Paper 6 (Feb. 13, 2020)	4, 15, 16-17
<i>Advanced Micro Devices, Inc. v. Concurrent Ventures, LLC,</i> IPR2025-00223, Paper 9 (June 12, 2025)	6
<i>Apple Inc. v. Vidal,</i> 63 F.4th 1 (Fed. Cir. 2023)	5
<i>Apple Inc. v. Fintiv, Inc.,</i> IPR2020-00019, Paper 15 (May 13, 2020)	9
<i>Apple Inc. v. Fintiv, Inc.,</i> IPR2020-00019, Paper 11 (Mar. 20, 2020)	4, 6, 7, 8
<i>Arashe Vision (U.S.) LLC d/b/a Insta360 v. GoPro, Inc.,</i> IPR2025-00017, Paper 11 (Apr. 28, 2025)	18
<i>BlephEx, LLC v. Myco Indus.,</i> 24 F.4th 1391 (Fed. Cir. 2022)	12-13
<i>Cuozzo Speed Techs., LLC v. Lee,</i> 579 U.S. 261 (2016)	4-5
<i>Gen. Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha,</i> IPR2016-01357, Paper 19 (Sept. 6, 2017)	4
<i>Harmonic Inc. v. Avid Tech., Inc.,</i> 815 F.3d 1356 (Fed. Cir. 2016)	5
<i>Intelligent Bio-Systems, Inc. v. Illumina Cambridge, Ltd.,</i> 821 F.3d 1359 (Fed. Cir. 2016)	9
<i>Microsoft Corp. v. AlmondNet, Inc.,</i> IPR2022-01319, Paper 9 at 11 (Jan. 30, 2023)	17

<i>Motorola Sols., Inc. v. Stellar, LLC</i> , IPR2024-01205, Paper 19 (Mar. 28, 2025)	6-7
<i>Regeneron Pharms., Inc. v. Merus N.V.</i> , 864 F.3d 1343, 1350 (Fed. Cir. 2017)	13
<i>Regents of the Univ. of Calif. v. Eli Lilly & Co.</i> , 119 F.3d 1559, 1575 (Fed. Cir. 1997)	13
<i>Shenzen Tuozhu Tech. Co., Ltd. v. Stratasys, Inc.</i> , IPR2025-00354, Paper 11 (June 12, 2025).....	8-9
<i>Shire LLC v. Amneal Pharms., LLC</i> , 802 F.3d 1301, 1307 (Fed. Cir. 2015)	12
<i>Sotera Wireless, Inc. v. Masimo Corporation</i> , IPR2020-01019, Paper 12 (Dec. 1, 2020)	4
<i>Stone Basket Innovations, LLC v. Cook Med. LLC</i> , 892 F.3d 1175, 1179 (Fed. Cir. 2018).....	12
<i>TankLogix, LLC v. SitePro, Inc.</i> , IPR2025-00761, Paper 10 (Sept. 3, 2025).....	16
Statutes	
35 U.S.C. § 112.....	8
35 U.S.C. § 312(a)	9
35 U.S.C. § 314(a)	1, 18
35 U.S.C. § 315(b)	3
35 U.S.C. § 325(d)	1, 10, 11, 15, 17, 18

EXHIBIT LIST	
2002	June 5, 2024 Notice Letter
2003	<i>Meridian International v. ToughBuilt</i> Minutes of Hearing RE: Scheduling Conference (Docket No. 80)
2004	March 24, 2025 PTAB Memo On IPR Proceedings
2005	March 26, 2025 PTAB Memo on Interim Processes
2006	<i>Meridian International v. ToughBuilt</i> First Amended Invalidity Contentions
2007	Interim Director Discretionary Process (Oct. 3, 2025)
2008	U.S. Patent No. 11,642,777 (“Baruch”)
2009	FAQs for Interim Processes

I. INTRODUCTION

Patent Owner Meridian International Co., Ltd. filed a complaint against Petitioner ToughBuilt Industries, Inc. in the Central District of California on August 21, 2024, and served ToughBuilt on August 29, 2024. Following almost a full year of proceedings in the district court, ToughBuilt filed its petition for *inter partes* review on August 28, 2025, one day before the statutory deadline. Although the district court litigation is stayed, the parties and the Court have invested considerable resources in that case to date. As of this filing, the parties have completed claim construction briefing and have exchanged infringement and invalidity contentions, while the Court has decided a motion for preliminary injunction and a motion to dismiss and has held a *Markman* hearing and provided preliminary constructions.

The invalidity arguments presented in this petition are weak. The cited art was already before the Office or is cumulative of art that was before the Office, and the petition relies heavily on expert testimony to buttress its problematic arguments. As a result, it is unlikely that any of the claims of U.S. Patent No. 11, 986,946 would be invalidated by Petitioner's arguments.

Patent Owner therefore respectfully requests that the Director exercise his discretion and deny institution of this *inter partes* review under 35 U.S.C. §§ 314(a) and 325(d).

II. FACTUAL BACKGROUND AND PROCEDURAL HISTORY

Meridian International Co., Ltd. (“Patent Owner” or “Meridian”) designs and manufactures tools, hardware, and storage and organizational equipment and systems. For more than 30 years, Meridian has served customers around the world in supporting the design, manufacture, and sale of such products. It is an industry-leading designer and manufacturer of modular storage systems, and provides unique and innovative solutions in the realm of modular storage to meet customer demands. In connection with its research and development efforts to improve its modular storage systems, Meridian has developed multiple innovative interlocking and latching solutions, including those protected by the U.S. 11,986,946 (“’946 Patent”), which is directed to a connected storage box assembly.

ToughBuilt Industries, Inc. (“Petitioner” or “ToughBuilt”) designs, manufactures, uses, imports, offers for sale, and/or sells modular storage equipment under the ToughBuilt trade name throughout the United States that directly competes with the offerings from Meridian.

On June 5, 2024, Meridian, through its counsel, sent a cease-and-desist letter (**Ex. 2002**, “Notice Letter”) to ToughBuilt’s counsel, providing notice of the ‘946 Patent. The Notice Letter included a copy of the ’946 Patent and claim charts comparing ToughBuilt’s products to claims of the ’946 Patent. The Notice Letter

demanded that ToughBuilt discontinue its infringing activities and requested a response by June 21, 2024. ToughBuilt did not respond by the requested date, or at all, leading to the filing of *Meridian International Co., Ltd. v. ToughBuilt Industries, Inc.*, No. 8:24-cv-01840 (C.D. Cal.) on August 21, 2024 (the “District Court Case”), which is pending before the Hon. John W. Holcomb.

The District Court Case alleges infringement of the '946 Patent, which is discussed above, and of U.S. Patent No. 11,192,689 (the “'689 Patent”), which is directed to a mechanism that allows for attaching modular units, including tool bags, to a storage container. The District Court Case proceeded according to the Scheduling Order entered in that case (**Ex. 2003**, Docket No. 80), and a *Markman* hearing has been held, the court has provided preliminary constructions, and the parties have exchanged preliminary infringement and invalidity contentions.

ToughBuilt filed its Petition on August 28, 2025, nearly a full year after the District Court Case was filed, and one day before the one-year deadline to file an IPR pursuant to 35 U.S.C. § 315(b). The Petition asserts two different patent applications, either alone or in combination with other art, render the claims of the '946 Patent anticipated or obvious. (Petition, Paper 2 at 10-11.)

III. LEGAL AUTHORITY

On March 24, 2025, the Chief Administrative Patent Judge of the Patent

Trial and Appeal Board (“PTAB”) issued a memorandum rescinding a 2022 interim memorandum and providing guidance on new PTAB procedures for *inter partes* review (“IPR”) proceedings, which clarified the role of *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (Mar. 20, 2020) (precedential) (“*Fintiv*”) and *Sotera Wireless, Inc. v. Masimo Corporation*, IPR2020-01019, Paper 12 (Dec. 1, 2020) (precedential as to § II.A). (**Ex. 2004.**) On March 26, 2025, then-Acting Director Coke Morgan Stewart issued a memorandum providing interim processes for PTAB workload management (the “Interim Processes Memo”), which created a bifurcated process for institution decisions, wherein an optional brief (due two months after the Notice of Filing Date Accorded to Petition) shall set forth discretionary considerations, followed by the Patent Owner’s Preliminary Response brief (“POPR”) (due three months after the Notice of Filing Date Accorded to Petition). (**Ex. 2005.**) The Interim Processes Memo expressly directed the parties to include “all relevant [discretionary] considerations,” including those identified in *Fintiv*; *Gen. Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 (Sept. 6, 2017) (precedential as to § II.B.4.i); and *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 (Feb. 13, 2020) (precedential). (*Id.*)

The decision to institute or deny a petition “is a matter committed to the

Patent Office's discretion." *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 273 (2016). The Patent Office "is permitted, but never compelled, to institute an IPR proceeding." *Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016). Even when the prerequisites to institution are met, "the statute uses no language commanding institution." *Apple Inc. v. Vidal*, 63 F.4th 1, 6 (Fed. Cir. 2023).

IV. THE *FINTIV* FACTORS SUPPORT DISCRETIONAL DENIAL OF THIS IPR

A. Factor One: Whether a stay exists or is likely to be granted if a proceeding is instituted.

The District Court Case is currently stayed.

B. Factor Two: Proximity of the court's trial date to the Board's projected statutory deadline for a final written decision.

The District Court Case has not yet been scheduled for trial, as a trial date will be calculated following the entry of a claim construction order. (**Ex. 2003**, Minutes of Hearing RE: Scheduling Conference.)

C. Factor Three: Investment in the parallel proceeding by the court and the parties.

Investment in the District Court Case is already substantial. A *Markman* hearing has been held and a final order is expected once the litigation resumes; the Court has ruled on Meridian's motion for a preliminary injunction and has granted

in part Meridian's motion to dismiss Petitioner's counterclaim, and provided preliminary claim constructions; and the parties have exchanged preliminary infringement and invalidity contentions. In addition, the District Court has already evaluated certain of Petitioner's invalidity arguments (as to Li, as discussed further *infra*) during the preliminary injunction briefing and hearing, rendering it the proper venue to analyze the remaining and duplicative invalidity arguments as a matter of judicial and agency efficiency.

Where the parties have invested substantial resources in a parallel proceeding, as is the case here, denial of the petition is appropriate. *See Fintiv* at 10 (“[D]istrict court claim construction orders may indicate that the court and parties have invested sufficient time in the parallel proceeding to favor denial.”); *Advanced Micro Devices, Inc. v. Concurrent Ventures, LLC*, IPR2025-00223, Paper 9 at 2 (June 12, 2025) (finding “meaningful investment” in district court action where exchange of infringement and invalidity contentions, seven months of discovery, and a *Markman* hearing will take place prior to the deadline for institution); *Motorola Sols., Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19 at 3 (Mar. 28, 2025) (finding this factor “strongly favors discretionary denial” where the parties had served infringement and invalidity contentions, filed claim

construction briefs, and the Court had construed the disputed claim terms prior to filing the POPR).

Moreover, the advanced state of the District Court Case is due entirely to Petitioner's delay in filing its petition for *inter partes* review. The District Court Case was filed on August 21, 2024, and ToughBuilt waited nearly a full year after service of the complaint before filing its petition. "[I]t may impose unfair costs to a patent owner if the petitioner, faced with the prospect of a looming trial date, waits until the district court trial has progressed significantly before filing a petition at the Office." *Fintiv* at 11.

Because the parties have invested substantial resources in the District Court Case, and because Petitioner's delay in filing the present IPR has contributed to that investment, this factor weighs in favor of granting discretionary denial.

D. Factor Four: Overlap between issues raised in the Petition and in the parallel proceeding.

The issues raised in the Petition overlap significantly with the invalidity arguments raised in the District Court Case. In both the District Court Case and the present Petition, Petitioner claims that U.S. 2022/0396985 ("Li") and U.S. 2020/0298392 ("Baruch") in various combinations invalidate Claims 1-7 and 9-16 of the '946 Patent. (Ex. 2006, ToughBuilt's First Amended Preliminary Invalidity

Contentions; Petition, Paper 2 at 10-11.) The only difference between the art cited in the District Court and in the Petition is that the Petition cites different secondary references than are cited in the District Court Case.

“[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* at 12. Here, the Petition includes many of the same or substantially the same claims, grounds, arguments, and/or evidence as presented in the District Court Case.

Petitioner has filed a *Sotera* stipulation in this matter, stating that it “stipulates that if the Patent Trial and Appeal Board institutes inter partes review on the grounds presented in ToughBuilt’s petitions, ToughBuilt will not pursue an invalidity defense in this case that the patent claims subject to the instituted inter partes review are invalid based on any ground that ToughBuilt raised or reasonably could have raised in the petitions.” (Ex. 1031.) This is, however, of limited value because the District Court Case includes grounds for invalidity that cannot be raised here, such as invalidity under 35 U.S.C. § 112: The District Court Case includes allegations that all claims of the ‘946 patent are invalid for indefiniteness and lack of written description. (Ex. 2006 at 20-22.) See *Shenzen Tuozhu Tech. Co., Ltd. v. Stratasy, Inc.*, IPR2025-00354, Paper 11 at 2-3 (June 12, 2025)

(finding that when there are more expansive arguments in the District Court Case that the stipulation “is not likely to moot,” “Petitioner’s stipulation reduces, but does not eliminate, the inefficiencies [of maintaining two parallel proceedings]”).

E. Factor Five: Whether the petitioner and the defendant in the parallel proceeding are the same party.

Petitioner ToughBuilt is also the defendant in the District Court Case. This weighs in favor of granting discretionary denial. *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 15 (May 13, 2020) (where “petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial.”)

F. Factor Six: Other circumstances that impact the Board’s exercise of discretion, including the merits.

a. ToughBuilt’s Petition fails to identify, “with particularity” the evidence upon which it relies.

A petition must “identif[y], in writing and with particularity, each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim...” 35 U.S.C. § 312(a)(3); *Intelligent Bio-Systems, Inc. v. Illumina Cambridge, Ltd.*, 821 F.3d 1359, 1369 (Fed. Cir. 2016) (stating that compliance with this requirement is “of the utmost importance”). Petitioner repeatedly fails to explain how or where each and every feature of the claims of the ’946 Patent is disclosed in the cited

references, repeatedly fails to articulate how the cited references would be combined to arrive at the claims of the '946 Patent, and repeatedly relies on improper, conclusory reasoning, unsupported by the references or by the declaration of its expert. For this reason, the Director should use his discretion to deny the Petition.

b. ToughBuilt's Petition fails to create a reasonable expectation that a single claim would be found to be invalid, and therefore denial under 35 U.S.C. § 325(d) is warranted.

Meridian will address the merits of the Petition in more detail in its preliminary response brief ("POPR") and incorporates the arguments therein by reference.

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. Similarly, in arguing about the strengths or weaknesses of the merits, a patent owner may refer to arguments made in the petition and cite to record evidence. A patent owner should not repeat its merits arguments verbatim but should briefly explain why the merits are relevant. A patent owner should not treat a discretionary denial brief as an additional opportunity for merits briefing.

(Ex. 2007, Interim Director Discretionary Process at II.C.i. (Oct. 3, 2025)).

Pending the proffering of the POPR, however, there are several key points relevant to the strength of the Petition.

- i. Petitioner relies on art that was previously considered by the Office or is cumulative of art that was previously considered by the Office.

When a petition for inter partes review relies on “the same or substantially the same prior art or arguments [that] were previously presented to the Office,” the Board may exercise its discretion to deny *inter partes* review. 35 U.S.C. § 325(d).

Petitioner discusses eight grounds of alleged unpatentability in its Petition, based on five prior art references (Petition, Paper 2 at 10-11), all of which were previously considered by the Office during prosecution of the '946 Patent or are substantially the same as art considered by the Office during prosecution of the '946 Patent. All eight theories of invalidity rely principally on two U.S. Patent publications, Baruch and Li, each of which was either themselves before the Office or was constructively before the Office because it is cumulative of art that the Office considered. Moreover, two of the three “secondary” art references relied upon by Petitioner were similarly before the Office during prosecution of the '646 Patent.

Baruch. Baruch, which serves as the primary reference for Petitioner's Grounds 2A-2D, was already considered by the Office during prosecution of the '946 Patent. U.S. Patent No. 11,642,777 (Ex. 2008, the "Baruch Patent"), which is the issued patent resulting from prosecution of U.S. Publication No. 2020/0298392 (the "Baruch Publication"), was cited by the Examiner in the 892 Form dated April 16, 2024 (Ex. 1002, part 3 at 0661) and mailed with the Notice of Allowance for the '946 Patent. The citation of the Baruch Patent in the 892 Form is evidence that the Examiner considered the disclosure of the Baruch Patent and found that it did not anticipate the claims of the '946 Patent or render the claims of the '946 Patent obvious alone, or in combination with any other art of record.

To the extent [Defendant] is suggesting that the examiner did not substantively consider [this reference] during prosecution of the [asserted] patent, and that this alleged failure to consider [this reference] should have some effect on the burdens borne by the respective parties in this case, that argument is unavailing. "[W]hen prior art 'is listed on the face' of a patent, 'the examiner is presumed to have considered it.'" *Stone Basket Innovations, LLC v. Cook Med. LLC*, 892 F.3d 1175, 1179 (Fed. Cir. 2018) (quoting *Shire LLC v. Amneal Pharms., LLC*, 802 F.3d 1301, 1307 (Fed. Cir. 2015)). Because [this reference] is cited on the face of the [asserted] patent, the patent examiner is presumed to have considered it and the district

court did not err in noting that [this reference] was before the examiner.

BlephEx, LLC v. Myco Indus., 24 F.4th 1391, 1402 (Fed. Cir. 2022). Half of the Petitioner's alleged grounds for unpatentability, therefore, rely on a reference that was already considered by the Office, and over which the Office believed the claims of the '946 Patent were novel and nonobvious.

Li. While Li, which serves as the basis for Petitioner's Grounds 1A-1D, was not made of record during prosecution of the '946 Patent, Li was constructively considered by the Office because it is cumulative of art that was considered by the Office during examination of the '946 Patent. "A reference is cumulative when it 'teaches no more than what a reasonable examiner would consider to be taught by the prior art already before the PTO.'" *Regeneron Pharms., Inc. v. Merus N.V.*, 864 F.3d 1343, 1350 (Fed. Cir. 2017) (quoting *Regents of the Univ. of Calif. v. Eli Lilly & Co.*, 119 F.3d 1559, 1575 (Fed. Cir. 1997)). Such is the case with Li.

Petitioner contends that the Li reference is critical because it purportedly teaches the inclusion of a "stop part" in the mounting body, and that the Office failed to consider references teaching the inclusion of a "stop part." (Petition, Paper 2 at 1-2.) But Petitioner also argues that Baruch – which was cited during prosecution and found to not disclose or suggest the subject matter of the claims –

like Li, discloses the inclusion of a stop part. (*Id.*) Li is therefore cumulative of Baruch, at least as it pertains to the disclosure of a stop part, which is purported to be the key issue in the Petition.

Burchia and Davidian. With respect to Grounds 1C, 1D, 2C, and 2D, which each rely on one or more secondary references, it is noted that U.S. 2020/0329837 (“Burchia”) and U.S. 2021/0221561 (“Davidian”), which comprise two out of the three secondary references relied upon by Petitioner, were also considered by the Office during prosecution of the ’946 Patent. The Information Disclosure Statement submitted by Meridian on November 22, 2023 (Ex. 1002, part 3 at 0631) cites U.S. Publication No. 2018/0220758 to which Burchia claims priority and which is substantially identical to Burchia. This IDS was considered and signed on March 11, 2024, indicating consideration by the Office. (*Id.*) The 892 Form dated March 27, 2024 (Ex. 1002, part 3 at 0662) cites Davidian, evidencing that Davidian was considered by the Office as well.

Baruch is the primary basis for grounds 2A-2D, Li is the primary basis for grounds 1A-1D, and either Burchia (grounds 1C, 2C) or Davidian (grounds 1D, 2D) are cited as secondary art for each ground listing more than one reference. Because each of these references was expressly or constructively considered by the Office, the Petition must rebut the presumption that these references were properly

considered by the Office during prosecution of the '946 Patent. ***Petitioner has not done so.***

- ii. Petitioner fails to identify any material error by the Office that would warrant reconsideration of this art.

Where, as here, the Petitioner relies almost entirely on art that has been previously presented to the USPTO, or is cumulative of art that has been presented to the USPTO, it is incumbent upon Petitioner to demonstrate that the Office erred in evaluating this art. *Advanced Bionics* provides a two-part framework for determining whether denial under § 325(d) is warranted: (1) whether “the same or substantially the same prior art or arguments previously were presented to the Office;” and (2) if so, “whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.” *Advanced Bionics* at 8.

As discussed above, the same or substantially the same prior art as is presented in the Petition was also presented to the Office during prosecution of the '946 Patent. Petitioner must, therefore, demonstrate that the Office made a material error in its consideration of the art. Petitioner, however, failed to do so.

Specifically, Petitioner contended that:

Indeed, the Examiner committed material error by failing to recognize that such features were already well known in the art. This material

error can be seen from the Examiner's cursory examination, which provided only a single Office Action containing only a single art-based §102 rejection. . . . Both Li (Grounds - 1 - Case IPR2025-01461 U.S. Patent No. 11,986,946 1A-1D) and Baruch (Grounds 2A-2D) are references not previously applied in any rejection during prosecution and separately disclose the claimed "stop part" and each of the purportedly allowable features. In view of Li's and Baruch's teachings, the independent claims are unpatentable. The dependent claims are similarly unpatentable in view of Li and Baruch and in further view of Burchia, Hammond, and Davidian. Thus, Petitioner respectfully requests that the Board institute trial on the grounds herein and determine that claims 1-16 of the '946 patent are unpatentable.

(Petition, Paper 2 at 1-2.) This argument is fundamentally flawed: Baruch, Burchia, and Davidian *were considered by the examiner and the '946 Patent issued over these references*. And Li is cumulative of the disclosed art. This is, therefore, a wholly inadequate "error" to warrant institution of an IPR. For example, merely asserting that the referenced art discloses every element of the asserted claims "is alone insufficient to demonstrate material error by the Office." *TankLogix, LLC v. SitePro, Inc.*, IPR2025-00761, Paper 10 at 2-3 (Sept. 3, 2025); *see also Advanced Bionics* at 9 ("If reasonable minds can disagree regarding the purported treatment of the art or arguments, it cannot be said that the Office erred in a manner material

to patentability. At bottom, this framework reflects a commitment to defer to previous Office evaluations of evidence of record unless material error is shown”).

Because Petitioner has failed to plausibly argue that the Office erred, denial of the Petition is appropriate. “If a condition in the first part of the framework is satisfied and the petitioner fails to make a showing of material error, the Director generally will exercise discretion not to institute *inter partes* review.” *Id.* at 8-9; *Microsoft Corp. v. AlmondNet, Inc.*, IPR2022-01319, Paper 9 at 11 (Jan. 30, 2023).

- iii. ToughBuilt’s Petition is overly reliant on expert testimony to try and create a case for invalidity where none exists.

The Petition is also overly reliant on expert testimony to make its obviousness arguments. Petitioner relies on a **402-paragraph, 278-page** expert report, which Petitioner cites **184 times** in its 160-page Petition. “[E]xtensive reliance on expert testimony ... may suggest that the questions are better resolved in an Article III Court.” (**Ex. 2009**, FAQs for Interim Processes for PTAB Workload Management at 22.)

Because Section 325(d) denial is warranted due to Petitioner’s reliance on recycled and irrelevant art, and because Petitioner leans heavily upon expert testimony to string together its invalidity arguments, it is clear that the Petition is

weak. Discretionary denial is appropriate because Petitioner has not shown, nor can it, that it is likely to successfully challenge the validity of the '946 patent.

V. CONCLUSION

The Petition is fundamentally flawed; Petitioner's arguments rely on art that was previously considered by the Office or that is cumulative of art that was previously considered by the Office and Petitioner fails to articulate any error by the Office in its consideration of this art. Moreover, the Petition fails to specifically assert the purported bases for its assertion of invalidity, and is overly reliant on expert testimony. As a result, Petitioner has not shown that there is a reasonable likelihood that institution of an IPR would result in the invalidation of any of the claims of the '946 Patent, and thus institution of this IPR is not warranted under at least 35 U.S.C. § 325(d). "An *inter partes* review may not be instituted 'unless . . . the information presented in the petition . . . shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.'" *Arashe Vision (U.S.) LLC d/b/a Insta360 v. GoPro, Inc.*, IPR2025-00017, Paper 11 at 2 (Apr. 28, 2025) (quoting 35 U.S.C. § 314(a)). Petitioner fails to meet that threshold, and institution should therefore be denied.

Dated: November 10, 2025

Respectfully Submitted,

Eversheds Sutherland (US) LLP

By: /Anna C. Halsey/

Anna C. Halsey (Reg. No. 73,960)

Ann G. Fort (admitted *pro hac vice*)

Lindsay M. Kriz (Reg. No. 79,726)

Jeremy D. Spier (Reg. No. 64,544)

EVERSHEDS SUTHERLAND (US) LLP

999 Peachtree St. NE, Suite 2300

Atlanta, GA 30309

(404) 853-8000

(404) 853-8806

Email: AnnaHalsey@eversheds-
sutherland.us

Email: AnnFort@eversheds-
sutherland.us

Email: LindsayKriz@eversheds-
sutherland.us

Email: JeremySpier@eversheds-
sutherland.us

Attorneys for Patent Owner

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing *Patent Owner Meridian International Co., Ltd.'s Discretionary Denial Brief* was served via electronic mail, per agreement of the parties, in its entirety, on Petitioner's attorneys of record in IPR2025-01461 on the date indicated below.

Lead Counsel: Richard M. Bemben (Reg. No. 68,658)
Sterne, Kessler, Goldstein & Fox PLLC
1101 K Street, NW, 10th Floor
Washington, DC 20005
rbemben-PTAB@sternekessler.com
PTAB@sternekessler.com

Backup Counsel: Timothy L. Tang (Reg. No. 75,187)
Sterne, Kessler, Goldstein & Fox PLLC
1101 K Street, NW, 10th Floor
Washington, DC 20005
Ttang-PTAB@sternekessler.com

Dated: November 10, 2025

By: /Anna C. Halsey/
Anna C. Halsey