

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

BOE TECHNOLOGY GROUP CO., LTD.,

Petitioner,

v.

PANELTOUCH TECHNOLOGIES LLC,

Patent Owner.

Case IPR2025-014823
U.S. Patent No. 9,507,477

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

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37 C.F.R. § 42.100(c)	12
37 C.F.R. § 42.107(a)	1
37 C.F.R. § 42.107(b)	1

PATENT OWNER'S EXHIBIT LIST

No.	Description
2001	Docket Navigator IPR Stay Statistics for Judge Gilstrap
2002	[Intentionally Omitted]
2003	<i>Dabico Airport Solutions Inc. v. Axa Power Aps</i> , IPR2025-00408 (Paper 21)
2004	BOE Technology, WIKIPEDIA, available at https://en.wikipedia.org/wiki/BOE_Technology (last accessed October 16, 2025).
2005	US9507477, GOOGLE PATENTS, available at https://patents.google.com/patent/US9507477B2/en?q=9507477 (last accessed November 6, 2025).
2006	<i>Proposed Revision to Rules of Practice before the Patent Trial and Appeal Board</i> , FEDERAL REGISTER, Vol. 90, No. 199 (Oct. 16, 2025).
2007	Director Squire's October 28, 2025 Memorandum.
2008	Excerpts from "Entity List," <i>Export Administration Regulations</i> , BUREAU OF INDUSTRY AND SECURITY, available at https://www.bis.gov/regulations/ear/744#supplement-4-744 (last accessed Nov. 5, 2025).
2009	<i>Letter to U.S. International Trade Commission</i> , U.S. HOUSE OF REPRESENTATIVES SELECT COMMITTEE ON THE CHINESE PARTY (dated December 18, 2024).
2010	BOE Technology Ground Co., LTD. Annual Report 2024 (Summary)
2011	BOE Technology Ground Co., LTD. Annual Report 2024, available for download at https://www.boe.com/en/investorRelations/regularCompanyAnnouncements (last visited Nov. 6, 2025).
2012	<i>Primer on Important Amendments to the Chinese Company Law</i> , AMERICAN BAR ASSOCIATION, https://www.americanbar.org/groups/franchising/resources/franchise-lawyer/2024-winter/primer-important-amendments-chinese-company-law/ (published Aug. 23, 2024).
2013	<i>Actual controllers with foreign residency rights and corporate tax avoidance: Evidence from private listed companies in China</i> , EMERGING

No.	Description
	MARKETS REVIEW VOL. 26, available at https://www.sciencedirect.com/science/article/abs/pii/S1566014125001207 (last accessed Nov. 5, 2025).
2014	<i>Legal Representative vs. Actual Controller: Who Really Runs a Chinese Company?</i> , CNBIZINSIGHT, available at https://cnbizinsight.com/legal-representative-vs-actual-controller-who-really-runs-a-chinese-company/ (last accessed Nov. 5, 2025).
2015	<i>Yangtze Memory Tech. Co. Ltd. v. Micron Tech. Inc.</i> , IPR2025-00098, IPR2025-00099, Paper 33 (Nov. 10, 2025).
2016	Preliminary Infringement Contentions Cover Sheet, <i>Paneltouch Tech. LLC v. BOE Tech. Co., LTD.</i> , 2:25-cv-245-JRG (E.D. Tex).

I. INTRODUCTION

Pursuant to the Director’s March 26, 2025 memorandum regarding Interim Processes for PTAB Workload Management (“March 26, 2025 Memo”), Patent Owner Optronix Sciences LLC requests that the Director exercise discretion under 35 U.S.C. § 314(a) and issue a decision denying institution of the Petition.

U.S. Patent No. 9,507,477 (the “’477 Patent”), challenged by the Petition, issued on November 9, 2016, and as such it will have been in force for over *nine years* by the time any IPR is instituted. Accordingly, Patent Owner Paneltouch has strong settled expectations that the ’477 Patent would not be invalidated through agency action. Patent Owner’s settled expectations weigh heavily in favor of denying institution.

Further, Petitioner failed to disclose the People’s Republic of China (“PRC”) as a real party in interest. Because BOE is a known, state-backed foreign actor with an interest in weakening the American intellectual property system, institution should be denied. Additionally, many of the *Fintiv* factors weigh in favor of discretionary denial.

Patent Owner thus respectfully requests discretionary denial of the Petition.¹

¹ Patent Owner will file a Preliminary Response addressing the merits of the Petition pursuant to 37 C.F.R. § 42.107(a) on the schedule set forth by regulation and consistent with the March 26, 2025, Memorandum. *See* 37 C.F.R. § 42.107(b).

II. DENIAL OF INSTITUTION UNDER §314 IS WARRANTED.

The March 26, 2025 Memorandum regarding Interim Processes for PTAB Workload Management sets forth various relevant considerations may weigh in favor of discretionary denial, including:

- Whether the PTAB or another forum has already adjudicated the validity or patentability of the challenged patent claims;
- Whether there have been changes in the law or new judicial precedent issued since issuance of the claims that may affect patentability;
- The strength of the unpatentability challenge;
- The extent of the petition's reliance on expert testimony;
- Settled expectations of the parties, such as the length of time the claims have been in force;
- Compelling economic, public health, or national security interests; and
- Any other considerations bearing on the Director's discretion.

Here, as discussed further below: 1) no changes in the law support reconsideration of validity of the '477 Patent's claims; 2) Patent Owner has developed settled expectations through the time since issuance of the claims and Petitioner's longstanding awareness of the '477 Patent; 3) the Petition failed to identify all RPis and there is a compelling national security interest that weighs against strongly institution, as BOE is a known Chinese-state controlled actor; and 4) the Petition is weak and overly-reliant on expert testimony to gap-fill holes in the prior art.

A. No Changes in the Law Support Reconsideration of Validity

First, no changes in the law support reconsideration of the validity of the '477 patent claims, and Petitioner does not identify any such change.

B. Patent Owner's Settled Expectations

1. The Claims Have Long Been In Force

In *Dabico Airport Solutions Inc. v. Axa Power Aps*, IPR2025-00408, Paper 21 (PTACTS June 18, 2025) ("*Dabico*"), the Director denied institution after reviewing the totality of the evidence, holding that the Office is "disinclined to disturb the settled expectations" of the patent owner in the absence of persuasive reasons why the Office should review the challenged patent. Ex. 2003 at 3. The Director held that settled expectations were created because "the challenged patent has been in force almost eight years[.]" *Id.* at 2. *Dabico* explained further, "[a]lthough there is no brightline rule on when expectations become settled, in general, the longer the patent has been in force, the more settled expectations should be." *Id.* at 3.

The settled expectations of the '477 Patent are stronger than those in *Dabico*. As explained above, the '477 patent issued on November 29, 2016, and as such it will have been in force for over *nine years* by the time any IPR is instituted. Ex. 1001 at 1; Ex. 2003 at 3 ("in general, the longer the patent has been in force, the more settled expectations should be").

2. Petitioner Has Long Been Aware of the '477 Patent

In *Irythm Technologies, Inc. v. Welch Allyn, Inc.*, IPR2025-00363, Paper 10, June 6, 2025, the USPTO denied institution because the Petitioner had long been aware patents being challenged. *Id.* at 3. The *Irythm* petitioner “cited the then-pending application . . . in an Information Disclosure Statement. . . . Petitioner’s awareness of Patent Owner’s applications and failure to seek early review of the patents favors denial and outweighs the above-discussed considerations.” *Id.* Here, at least *seven* of BOE’s patent applications cited to the ’477 Patent or its family. *See* Ex. 2005. Despite Petitioner’s awareness of the ’477 Patent and its family, Petitioner did not seek early review of the ’477 Patent. Petitioner’s early awareness of the ’477 Patent and its family further built the settled expectations by the Patent Owner, providing a reasonable expectation that the presumptively valid patent claims (which already passed thorough examination by the Office) may be relied upon to defend Patent Owner’s intellectual property rights.

When a patent has very strong settled expectations like the ’477 Patent, a petitioner must provide “persuasive reasoning” to disturb those settled expectations. *See* Ex. 2003 at 3. No such reasoning exists here. Thus, settled expectations of the parties is an additional relevant consideration weighing against institution.

**C. Failure to Identify RPI and Compelling National Interest:
Petitioner is a State-Backed Foreign Actor**

“[T]he Office cannot address the misuse of AIA proceedings by foreign adversaries unless it requires parties to identify RPIs.” Ex. 2007 at 4. BOE has failed to disclose all real parties in interest, including the People’s Republic of China.

BOE is a known, state-backed foreign actor. BOE is on the Department of Commerce’s “entity list”—exactly the type of entity Director Squires warned has already “been deemed a national security threat” and is involved in filing a “substantial and increasing number of IPRs,” in the October 28, 2025 Memo. Ex. 2007 at 2–3; Ex. 2008; Ex. 2015 at 2 (“Petitioner is listed on the Bureau of Industry and Security’s Entity List, which ‘identifies persons . . . reasonably believed to be involved, or to pose a significant risk of being or becoming involved, in activities contrary to the national security or foreign policy interests of the United States.’”).

The U.S. House of Representative’s *Select Committee on the Chinese Communist Party* issued a December 18, 2024 letter to the International Trade Commission (ITC), urging the ITC not to underestimate the threat BOE poses as a foreign state-backed actor. *See* Ex. 2009. The letter highlights some of the Committee’s findings, stating that “the [People’s Republic of China (“PRC”)] has groomed BOE as its national champion in the display industry” through “a variety of PRC-backed anticompetitive practices, including aggressive state-sponsored

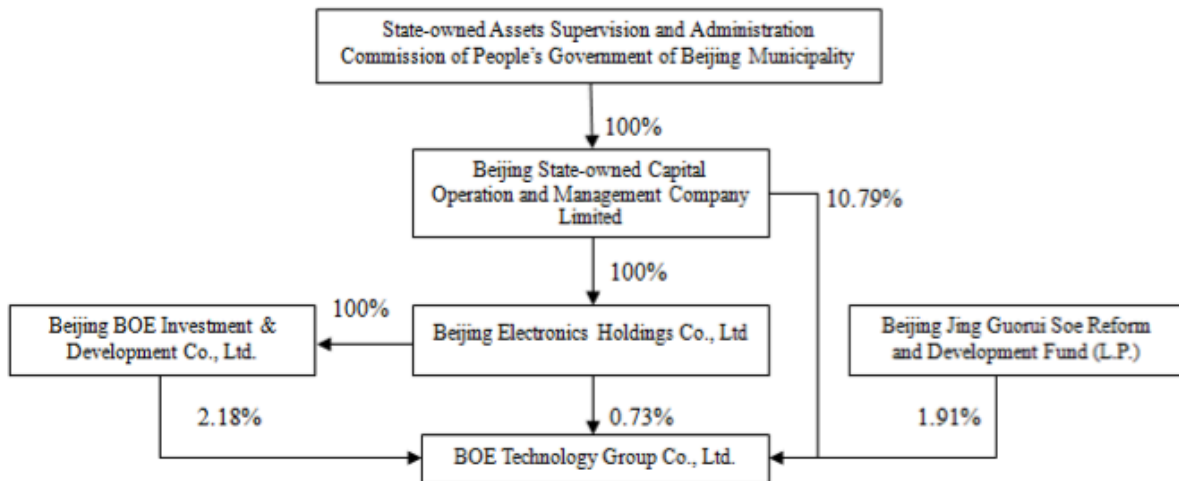
subsidization, as well as intellectual property (IP) theft.” *Id.* at 1. The House Committee’s letter concluded:

BOE’s IP theft will continue to benefit the PRC’s military-civil fusion strategy, and BOE’s growing dominance in the display industry will leave the United States overly reliant on the PRC for an advanced technology critical to military applications. Additionally, the Commission will be sending a dangerous message to the PRC that its companies can continue to steal American IP at will.

Id. at 2.

BOE’s own annual report confirms that the Chinese State is the “Actual Controller” of the Petitioner.

(3) Ownership and Control Relations between the Actual Controller and the Company



Ex. 2010 at 7; *see also* Ex. 2011 at 111–12 (“Nature of the actual controller: Local institution for state-owned assets management”); *see, e.g.*, Ex. 2012 at 6 (an “actual

controller” is “a non-shareholder who can nevertheless control a company through voting rights, investment relations, or by agreements”); Ex 2013 at 2 (“The actual controller refers to the natural person, legal person, or other organization that controls the company's behavior through investment relations, agreements, or other arrangements.”); Ex. 2014 (“The Actual Controller . . . is defined under Article 265 of the Company Law. This is the entity or individual who, while not necessarily holding a formal position or being publicly registered, exercises de facto dominant control.”).

Not only is Petitioner’s actual controller a foreign adversary, but Petitioner’s failure to include the PRC as a real party in interest prevents estoppel from attaching under 35 U.S.C. § 315(e). Petitioner’s Sotera stipulation does not remedy such prejudice, and other state-controlled companies would still be permitted to seek invalidation of the ’477 Patent. The Board should decline to institute the instant IPR because the Petition failed to disclose the PRC as a real-party in interest and because BOE is a state-backed actor with a known interest in weakening the American intellectual property system.

Institution of the Petition would benefit foreign entities and a foreign government with interests opposed to the United States and Petitioner’s foreign control is thus a compelling factor the Board is entitled to weigh in evaluating whether to institute.

D. Strength of the Unpatentability Challenge: The Petition Over-Relies on Expert Testimony

The Petition is particularly weak and overly reliant on unreliable expert testimony to gap-fill holes in the prior art. For example, as discussed in the FAQs for Interim Processes for PTAB Workload Management, “[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.”² Thus, a “failure to provide focused expert testimony may weigh against institution.” *Id.*

The Petition relies on **201 pages** of expert testimony in an attempt to cobble together multiple different prior art references to support the Petition’s invalidity grounds. *See, e.g.*, Petition at *passim*; Ex. 1003 (Flask Decl). This over-reliance on expert testimony to gap-fill holes in the prior art is an additional relevant consideration weighing against institution.

III. FINTIV FACTORS ALSO WEIGH AGAINST INSTITUTION.

35 U.S.C. § 314(a) gives the Director discretion to deny institution of IPR due to the advanced state of parallel district court litigation regarding the same issues. *See NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8 at 19-21

² FAQs for Interim Processes for PTAB Workload Management, https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management?utm_campaign=subscriptioncenter&utm_content=&utm_medium=e

(PTAB Sept. 12, 2018) (precedential) (“*NHK*”). The Board has set forth six factors for determining whether discretionary denial in light of such parallel litigation is appropriate:

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 and the defendant in the parallel proceeding are the same party;
6. other circumstances that impact the Board's exercise of discretion, including the merits.

Apple Inc. v. Fintiv, Inc., IPR2020-00019, Paper 11 at 5-6 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv I*”). In evaluating these factors, the Board “takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.” *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 7-17 (PTAB May 13, 2020) (informative) (“*Fintiv II*”).

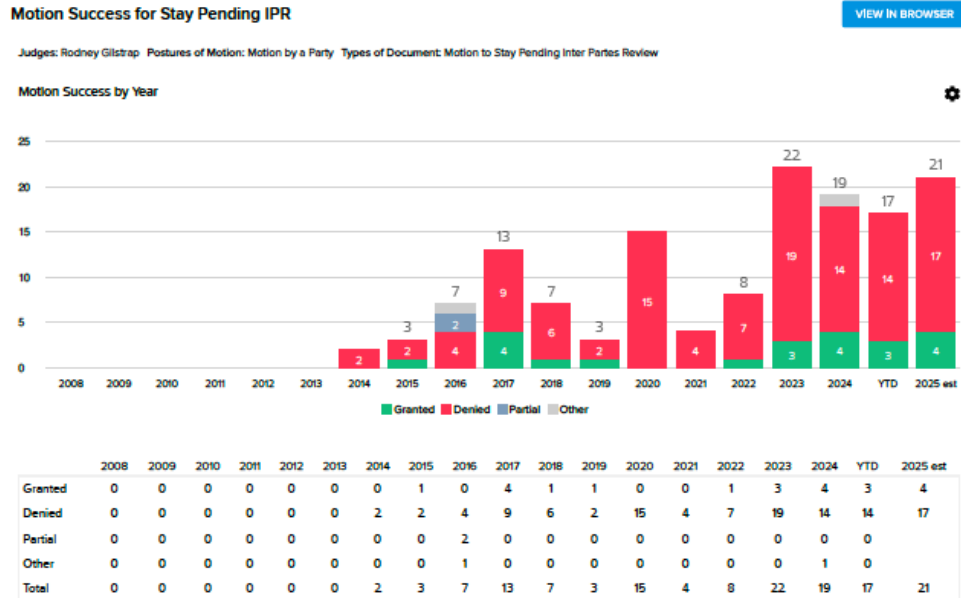
A. *Fintiv* Factor 1: The District Court Is Unlikely To Grant A Stay

Fintiv Factor 1 looks to “whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted.” *Fintiv I* at 5-6.

Here, the District Court has not granted a stay, and a stay is statistically unlikely. For example, the Petitioner has not yet filed a motion to stay pending IPR

in the District Court proceedings. The presiding judge, Judge Rodney Gilstrap, as well as other judges in the Eastern District, have consistently explained that it is the practice of the Eastern District to deny motions to stay where, as here, IPRs have not been instituted. *See, e.g., Luminati Networks Ltd. v. Teso LT, UAB*, No. 2:19-CV-00395-JRG, 2020 WL 6803255, at *1 (E.D. Tex. Oct. 30, 2020) (“this Court has a consistent practice of denying motions to stay when the PTAB has yet to institute post-grant proceedings.”); *see also Trover Grp., Inc. v. Dedicated Micros USA*, No. 2:13-CV-1047-WCB, 2015 WL 1069179, at *6 (E.D. Tex. Mar. 11, 2015) (Bryson, J.) (“it is the universal practice” in this District to deny pre-institution motions to stay); *Viavi Sols. Inc. v. Zhejiang Crystal-Optech Co.*, No. 2:21-CV-00378-JRG, 2022 WL 16856099, at *5 (E.D. Tex. Nov. 10, 2022) (“It is the Court’s established practice to consider that motions to stay pending IPR proceedings which have not been instituted are inherently premature and should be denied as such.”).

Moreover, even if the Board institutes IPR proceedings, it is statistically unlikely that the District Court would grant a stay. For example, an analysis of the outcomes for motions to stay pending IPR before Judge Gilstrap demonstrates that the *vast majority* of these motions have been denied:



See Ex. 2001 (Docket Navigator Stay Statistics).

Thus, while Patent Owner recognizes that the Board ordinarily “will not attempt to predict” how a district court will proceed if a stay has not been granted (*see Sand Revolution II, LLC v. Continental Intermodal Group-Trucking LLC*, IPR2019-01393, Paper 24 at 7 (Jun.16, 2020) (informative)), the present facts indicate that it is unlikely that Judge Gilstrap will grant a stay.

Additionally, the USPTO’s recent proposed revision to Rules of Practice explain the inefficiencies of parallel validity challenges where a stay is not granted. Ex. 2006 at 2 (“if the district court case is not stayed, the defendant may raise any invalidity argument in district court while the IPR is pending. In these circumstances, IPRs can add significant expense and delay compared with standalone district court litigation.”). “These serial and parallel patentability challenges have undermined the

reliability of patent rights and deterred investment in new technologies.” *Id.*
Because a stay is unlikely here, *Fintiv* Factor 1 strongly favors discretionary denial.

B. *Fintiv* Factor 2: The District Court Trial Is Likely to Occur a Month Before the Deadline for a Final Written Decision

Fintiv Factor 2 looks to “proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision.” *Fintiv I* at 5-6. “If the court’s trial date is earlier than the projected statutory deadline, the Board generally has weighed this fact in favor of exercising authority to deny institution under *NHK*.” *Id.* at 9.

Here, the deadline for a final written decision is March 23, 2027, which may be extended to September 23, 2027 for good cause or in the case of joinder. 37 C.F.R. § 42.100(c). The District Court indicated in a scheduling conference on November 24, 2025 that trial is scheduled for April 5, 2027. Although the current schedule calls for the institution decision prior to trial, if the final written decision is extended to September, the District Court trial will occur several months before the final written decision. Thus, this factor weighs slightly in favor of institution or is neutral.

C. *Fintiv* Factor 3: The Parties’ Investment in the District Court Case At the Time of an Institution Decision

Fintiv Factor 3 looks to the “amount and type of work already completed in the parallel litigation by the court and the parties *at the time of the institution*

decision.” *Fintiv I* at 9 (emphasis added). An institution decision would be due by March 23, 2026. *See* AIA § 6 (codifying 35 U.S.C. § 314(b)). This factor is neutral.

D. *Fintiv* Factor 4: There is Substantial Overlap Between this IPR and the District Court Proceeding

Fintiv Factor 4 looks to “whether all or some of the claims challenged in the petition are also at issue in district court” and whether the “petition includes the same or substantially the same claims, grounds, arguments, and evidence” as the parallel district court case. *Fintiv I* at 12-13. In short, this factor evaluates “concerns of inefficiency and the possibility of conflicting decisions” when substantially identical prior art is submitted in both the district court and IPR proceeding. *Id.* at 12.

Patent Owner served infringement contentions on Petitioner on November 10, 2025, alleging infringement of claims 12–16 and 21 of the ’477 Patent. The Petition challenges all claims of the ’477 Patent, so there is substantial overlap between this IPR and the District Court proceeding.

Additionally, while Petitioner served and filed a *Sotera*-type stipulation stating that Petitioner will not pursue that “claims subject to this IPR are invalid on grounds that were raised in this IPR or grounds that could have reasonably been raised in this IPR” (Paper 6), such a stipulation is not sufficient to ensure that IPR proceedings would be a “true alternative” to the District Court litigation. *See Sotera*, Paper 12 at 19; *see also Motorola v. Stellar*, IPR2024-01205, -01206, -01297, -01208, Paper 19 at 3–4 (March 28, 2025) (Director vacating decision granting

institution where the petitioner’s “stipulation does not ensure that these [inter partes review] proceedings would be a ‘true alternative’ to the district court proceeding”).

The deficiencies of Petitioner’s stipulation were recently explained in detail in the proposed revision to the USPTO’s Rules of Practice, concluding

Under the proposed revisions, this section would provide that the Office will not institute an IPR when a petitioner intends to pursue invalidity challenges under §§ 102 or 103 in other venues, such as district court or the U.S. International Trade Commission. This proposed section would further require the Petitioner to file the stipulation in any other venue where it is litigating with the patent owner. The Office’s view is that this requirement would promote fairness and efficiency by channeling similar patent challenges to a single forum and ensure that IPRs “should generally serve as a complete substitute for at least some phase of the litigation.” S. Rep. No. 110–259 at 72.

Ex. 2006 at 2, 4.

Here, Petitioner’s stipulation fails to provide assurance that there will not be substantial overlap between the District Court proceedings and the proposed IPR proceedings, nor has it filed a stipulation in the district court that it will not pursue invalidity challenges under §§ 102 or 103. Petitioner has not yet served invalidity contentions in the district court. But Patent Owner expects that Petitioner’s invalidity contentions include combinations of any art (including the art asserted in this IPR) with unpublished system art, rendering Petitioner’s stipulation insufficient to ensure that the IPR proceedings are a “true alternative” to the District Court

proceedings.³.

Additionally, Petitioner's stipulation still permits subsequent *ex parte* reexamination petitions on grounds that could have been raised in the Petition, should Petitioner not receive its preferred outcome here. Thus, Petitioner's stipulation still allows for repeated challenges to the same patent by the same defendant in multiple venues, obviating the very purpose of the IPR process to streamline the patent system and reduce litigation costs. *See, e.g.*, H.R. Rep. No. 112-98, at 39–40 (2011) ("The legislation is designed to establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs."). While the Director's concerns in *Motorola v. Stellar* focused on concerns over the duplication between the PTAB and District Court proceedings, expecting the Patent Office (through the PTAB and the Central Reexamination Unit) to hear two serial challenges to the same patent is similarly problematic. *See* Ex. 2006 at 2, 4.

In short, if the Board was to grant institution in this proceeding, the parties will be engaged in "parallel patentability challenges have undermined the reliability of patent rights and deterred investment in new technologies." would be issuing an

³ *See also* FAQs for Interim Processes for PTAB Workload Management, <https://www.uspto.gov/patents/ptab/faqs> ("Where the petitioner is relying on corresponding system art in a co-pending proceeding and/or several other invalidity theories, a stipulation may not be particularly meaningful because the efficiency gained by any AIA proceeding will be limited.").

opinion on the same claims of the '477 patent whose validity would have been previously tried before the District Court months prior, and the same claims of the '477 patent whose validity may subsequently be challenged again during any potential *ex parte reexamination* process. This is the opposite of efficiency and contravenes the very purpose of the IPR process.

Accordingly, *Fintiv* Factor 4 weighs against institution.

E. *Fintiv* Factor 5: Petitioner Is The Defendant in the District Court Litigation

Fintiv Factor 5 looks to “whether the petitioner and the defendant in the parallel proceeding are the same party.” *Fintiv I* at 5-6. Specifically, when “the petitioner and the defendant in the parallel proceeding are the same party, this factor weighs in favor of discretionary denial.” *Fintiv II* at 15. Here, the Petitioner is the defendant in the parallel litigation.

Thus, *Fintiv* Factor 5 weighs in favor of discretionary denial.

F. *Fintiv* Factor 6: Other Considerations Weigh Against Institution

Fintiv Factor 6 looks to “other circumstances that impact the Board’s exercise of discretion, including the merits.” *Fintiv I* at 5-6. This factor also weighs heavily against institution because, as discussed above, “additional considerations” (as

outlined in the Director's March 26, 2025 Memo) weigh in favor of discretionary denial.

IV. Additional Considerations Weigh In Favor Of Discretionary Denial

V. THE BALANCE OF EVIDENCE FAVORS DENIAL

The *Fintiv* Factors and additional relevant considerations weigh in favor of discretionary denial. Thus, considered as a whole, the relevant facts weigh in favor of exercising discretionary denial.

VI. CONCLUSION

Patent Owner respectfully requests that the Director exercise discretion under Section 314(a) to deny institution.

Date: November 24, 2025

Respectfully submitted,

/Jefferson Cummings/

Jefferson Cummings (Reg. No. 81,926)

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CERTIFICATE OF PAGE LIMIT

I certify that there are less than 20 pages in this request for discretionary denial, in accordance with the current interim director discretionary process, available at <https://www.uspto.gov/patents/ptab/interim-director-discretionary-process>.

/Jefferson Cummings/
Jefferson Cummings (Reg. No. 81,926)

CERTIFICATE OF SERVICE (37 C.F.R. § 42.6(e)(1))

The undersigned hereby certifies that the above document was served on November 24, 2025, by filing this document through the P-TACTS system as well as delivering a copy via electronic mail upon the following attorneys of record for the Petitioner:

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