

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SHENZHEN QIANFENYI INTELLIGENT TECHNOLOGY CO., LTD.,

Petitioner,

v.

WACOM CO. LTD.,

Patent Owner.

Patent No. 9,933,866

Issued: Apr. 3, 2018

Filed: Oct. 17, 2014

Inventors: Shahrooz Shahparnia et al.

Title: ACTIVE STYLUS WITH HIGH VOLTAGE

Inter Partes Review No. IPR2025-01495

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

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EXHIBITS

Exhibit	Description
1019	Lex Machina – patent cases before District Judge James Rodney Gilstrap filed between January 1, 2023 and December 31, 2023
1020	Lex Machina – patent cases before District Judge James Rodney Gilstrap filed between January 1, 2024 and December 31, 2024
1021	Lex Machina – patent cases before District Judge James Rodney Gilstrap filed between January 1, 2025 and December 10, 2025
1022	Claim chart illustrating invalidity contentions in parallel district court case
1023	Claim chart illustrating invalidity contentions in parallel district court case
1024	Notice of <i>Sotera</i> stipulation in parallel district court case

I. INTRODUCTION

Petitioner Shenzhen Qianfenyi Intelligent Technology Co., Ltd. (“Petitioner”) submits this brief pursuant to the Director’s Memorandum of March 26, 2025 titled “Interim Process for PTAB Workload Management” and related guidance to address discretionary considerations in relation to the Board’s decision whether to institute this case.

On balance, the discretionary factors in this case support institution, not discretionary denial. Patent Owner requests discretionary denial based on timing of parallel litigation, alleged delay, and “settled expectations.” *See* Paper 9 at 1-2. But Patent Owner selectively applies discretionary factors, which is inconsistent with the Board’s process and the “holistic view” required by *Fintiv. Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 6 (Mar. 20, 2020) (“*Fintiv*”). Additionally, Patent Owner’s analysis misapplies the discretionary factors and ignores the compelling merits in this case.

II. ARGUMENT

A holistic view of discretionary factors supports institution in this case. While a parallel proceeding is pending in the Eastern District of Texas, the Board should not exercise its discretionary power to deny review pursuant to *Fintiv*. “In evaluating the *Fintiv* factors, ‘the Board takes a holistic view of whether efficiency and integrity of the system are best served by denying or instituting review.’” *Stingray*

Group Inc. v. Hernandez-Mondragon, IPR2025-00349, Paper 19, at 5 (Jun. 13, 2024) (quoting *Fintiv* at 6); see also *id.* (citing Scott R. Boalick, Chief Administrative Patent Judge, Guidance on USPTO’s recission of “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation” (USPTO March 24, 2025) (“Boalick Memo”) (“[T]he factors considered in the exercise of discretion are part of a balanced assessment of all the relevant circumstances in the case, including the strength of the merits.”)).

Three of the six *Fintiv* factors (factors three, four, and six) firmly weigh in favor of institution. While the identity of the parties (factor five) in the parallel litigation arguably weighs against institution, the remaining two *Fintiv* factors (factors one and two) are neutral and, therefore, do not support denial. Patent Owner’s arguments regarding timing of the parallel litigation ignore strong indications that the scheduled trial date is unlikely to hold, and Patent Owner has failed to establish undue delay.

Furthermore, discretionary factors outside of the *Fintiv* framework likewise do not support discretionary denial, and Patent Owner has failed to show settled expectations. Additionally, Patent Owner ignores the strength of the validity challenge in this case, which strongly weighs in favor of institution.

A. *Fintiv* factor one does not support denial because no stay has been requested.

Where a stay has neither been requested nor granted, the first *Fintiv* factor “does not weigh for or against discretionary denial.” *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12 (PTAB May 13, 2020) (designated informative July 13, 2020) (“*Fintiv I*”). As the Board has established, there are many legitimate reasons why a party may not yet have moved for a stay prior to receiving the institution decision, including prematurity. *GlobalFoundries Inc. v. UNM Rainforest Innova.*, IPR2020-00984, Paper 11 at 10 (Dec. 9, 2020). Attempting to “infer” how a district court will respond to a motion to stay is beyond the scope of the decision-making process, *Fintiv II* at 12, and the Board seeks to avoid such “conjecture” where no such motion has been filed. *Dish Network L.L.C. v. Broadband iTV, Inc.*, IPR2020-01280, Paper 17 at 13 (PTAB Feb. 4, 2021).

Patent Owner invites the Board to engage in conjecture despite the absence of a stay request. *See* Paper 9 at 5. But *Fintiv II* establishes that the first *Fintiv* factor is neutral where, as here, no stay request has been made. The first *Fintiv* factor, therefore, weighs neither for nor against institution and does not support Patent Owner’s request.

B. *Fintiv* factor two does not support denial because the scheduled trial date is unlikely to hold.

The second *Fintiv* factor considers the proximity of court’s trial date to the Board’s decision deadline. “If the court’s trial date is at or around the same time as the projected statutory deadline or even significantly after the projected statutory

deadline, the decision whether to institute will likely implicate other factors discussed herein, such as the resources that have been invested in the parallel proceeding.” *Fintiv* at 8; *see also Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12, at 15 (§ II.A precedential) (Dec. 1, 2020) (“*Sotera*”).

Here, the trial in the parallel district court case is currently scheduled for July 6, 2026, and Patent Owner provides a generic statistic for the district court (though not specific to the judge) arguing for a likely trial date in or around September 2026. *See* Paper 9 at 4. The statutory deadline for the Board to issue a final written decision in this case will likely be in March 2027, given that the Notice of Filing Date Accorded (Paper 3) was issued on September 10, 2025. *See* 37 C.F.R. § 42.107(b); 35 C.F.R. §§ 314(b) & 316(a)(11). However, when weighing the second *Fintiv* factor, the Board also considers whether the scheduled trial date is “unlikely to hold.” *Toast, Inc. v. Gratuity, LLC*, IPR2023-01408, Paper 11, at (Mar. 27, 2024).

While Patent Owner focuses on the *scheduled* trial date, the Board implicitly recognizes that scheduled trial dates are often unreliable and, for that reason, considers other evidence “that bears on the proximity of the district court’s trial date...” Boalick Memo at 3. There is ample evidence in this case that the scheduled trial date is unlikely to hold. Critically, Patent Owner’s general time-to-trial statistic for the district court does not reflect the *massive* increase in patent litigation before Judge Rodney Gilstrap. For example, while an already-staggering 451 patent cases were

assigned to Judge Gilstrap in 2023, that number increased *more than 70%* in 2024 to 796 cases. *See* Ex. 1019 & 1020. And Judge Gilstrap has already been assigned an even greater number of patent cases in 2025, with 980 patent cases having been assigned as of December 10, 2025, more than half of which remain open. *See* Ex. 1021.

Additionally, the currently set trial date is unlikely to hold because Judge Gilstrap has nine other active cases for which jury selection is scheduled to commence on the same date.¹ Clearly, Judge Gilstrap will not be able to conduct ten simultaneous trials, let alone any other cases that may be scheduled to go to trial shortly *before* the scheduled trial date in this case.

In sum, the current trial date in the district court is unlikely to hold, and the likelihood that this case will be heard in Summer or even Fall 2026 is low. Because the current trial date is unlikely to hold, the second *Fintiv* factor should be considered neutral in this case.

C. *Fintiv* factor three weighs in favor of institution because the district court case is in its early stages.

¹ *Bracey V. Dolgencorp Of Texas, Inc.*, No. 2:25-cv-00045-JRG; *Holland v. Annett Holdings, Inc.*, No. 2:24-cv-1072-JRG-RSP; *Weeks v. Bonvenu Bank*, No. 2:25-cv-00063-JRG; *Reid v. Riddell, Inc.*, No. 2:24-cv-00731-JRG; *Jackson v. CenterPoint Energy, Inc.*, No. 2:24-cv-00956-JRG; *WAG Acquisition, L.L.C. v. Technius Ltd.*, No. 2:24-cv-0714-JRG; *Digitaldoors, Inc. v. Independent Bank Group, Inc.*, No. 2:24-cv-00783-JRG-RSP; *Ningde Amperex Technology Limited v. Zhuhai CosMX Battery Co., Ltd.* No. 2:24-cv-00728-JRG; *Stingray IP Solutions LLC v. Hewlett Packard Enterprise Company*, No. 2:24-cv-00868-JRG-RSP.

In considering *Fintiv* factor three, the Board evaluates “investment in the parallel proceedings by the court and parties.” *Fintiv* at 9-10. “If, at the time of the institution decision, the *district court has not issued orders related to the patent at issue in the petition*, this fact weighs *against* exercising discretion to deny institution.” *Id.* at 9-10 (emphasis added). In *Fintiv*, the Board specifically cited *Facebook, Inc. v. Search and Social Media Partners, LLC*, IPR2018-01620, Paper 8 at 24 (PTAB Mar. 1, 2019) and *Amazon.com, Inc. v. CustomPlay, LLC*, IPR2018-01496, Paper 12 at 8-9 (PTAB Mar. 7, 2019) as cases in the “early stages”: where there has been no claim construction order and deadlines have been extended. *Id.*

The parallel litigation in this case is in those “early stages” as well. The petition in this case was filed in August. *See Fintiv* at 11 (“[I]t is often reasonable for a petitioner to wait to file its petition until it learns which claims are being asserted against it in the parallel proceeding.”); *CoolIT Sys., Inc. v. Asetek Danmark A/S*, IPR2021-01195, Paper 10 at 11–12 (PTAB Dec. 28, 2021) (finding diligence where petition was filed five months after infringement contentions were served). At present, Patent Owner admits that the parallel case is only at the claim construction stage, with the *Markman* hearing scheduled for January 2026. Because the parallel case is only at the claim construction stage, the district court has not yet reached substantive merits determinations, discovery completion, or trial preparation that would demonstrate significant judicial economy concerns. Additionally, Patent

Owner just filed a second amended complaint on October 27, 2025, asserting a brand new claim, and Petitioner just answered that complaint on November 19, 2025. Perhaps most vitally, the district court has yet to issue a single substantive ruling in the parallel case.

Patent Owner contends that Petitioner was delayed in filing the petition in this matter, in view of the date the parallel litigation was filed (not the date of service, which is the relevant consideration under 35 U.S.C. § 315(b)) and the date that Petitioner allegedly “learn[ed] of Patent Owner’s patent portfolio...” Paper 9 at 1. But Patent Owner fails to show any legal significance, in the context of discretionary denial review, regarding Petitioner having allegedly learned of its portfolio (without any specific allegation as to the ’866 Patent specifically).

Additionally, the Board has found that the timing of filing an IPR petition does not weigh in favor of discretionary denial where the parallel litigation is in its early stages and where the timing of filing enabled the petition to take into account the parties’ positions, resulting in a more focused and thorough petition. *See Snap, Inc. v. SRK Technology LLC*, No. IPR2020-00820, Paper 15 at 12-13 (Oct. 21, 2020); *see also Supercell Oy v. Gree, Inc.*, PGR2020-00038, Paper 14 at 15 (Sept. 3, 2020) (holding that although petition filed late within statutory filing window, alleged delay in filing was not a compelling countervailing reason to deny institution because the evidence demonstrated only minimal investments had been made in the

parallel proceeding). Here, discovery was ongoing around the time that the IPR petition was filed, which allowed Petitioner to understand Patent Owner's positions. For example, Patent Owner served supplemental interrogatory responses in the parallel case on July 1, 2025, including responses related to Patent Owner's positions regarding specific limitations of the '866 Patent. Additionally, Patent Owner served responses to requests for admission in the parallel case on July 23, 2025, including regarding requests for admission related to the scope of claims of the '866 Patent. Finally, not a single fact deposition has taken place, as the parties have focused only on document and written discovery to date.

Because investment in the parallel proceedings has been minimal and Patent Owner has failed to show any undue delay, *Fintiv* factor three weighs strongly against discretionary denial.

D. *Fintiv* factor four weighs in favor of institution because the IPR includes issues not present in the parallel litigation.

The fourth *Fintiv* factor considers overlap between the issues in the IPR petition and the issues in the parallel litigation. "[W]eighing the degree of overlap is highly fact dependent." *Fintiv* at 12-13. In this case, while there is some overlap between the asserted claims in the parallel litigation and the challenged claims in the IPR, the IPR involves claims that are not at issue in the parallel litigation. Additionally, the IPR includes prior art references and combinations that are not discussed in the invalidity contentions in the parallel litigation. *See Samsung Display Co., Ltd. v.*

Pictiva Displays Int'l Ltd., IPR2024-01222, Paper 12 at 8 (PTAB Mar. 6, 2025) (finding that the “additional challenged claims not at issue in the district court” weigh “against exercising discretion to deny institution”); *Samsung Bioepis Co. v. Regeneron Pharm., Inc.*, IPR2023-00739, Paper 9 at 58 (PTAB Oct. 20, 2023) (weighing against denial where “the district court action does not include *all of the challenged claims* within the scope of the litigation”) (emphasis added).

Here, the IPR petition shows invalidity of claims 2 and 16, which are not at issue in the parallel litigation. *See* Exs. 1022 & 1023. Additionally, Patent Owner states that Petitioner has presented “overlapping validity contentions” but ignores that there are differences between the anticipation and obviousness analyses between this case and the parallel litigation. For example, the invalidity contentions in the parallel litigation include grounds based on U.S. Patent Publication No. 20100170726 to Yeh et al. (“Yeh”), which is not included in the IPR petition. *See id.* Patent Owner also fails to mention that Petitioner provided a *Sotera* stipulation in the parallel litigation. *See* Ex. 1024 & Paper 8. While not dispositive, the presence of a *Sotera* stipulation is “highly relevant” to the Board’s holistic *Fintiv* analysis. Boalick Memo at 2-3. Specifically, Petitioner’s stipulation “that if the Patent and Trial Appeal Board institutes an IPR on IPR2025-01495...then Maxeye will not pursue in [the litigation] the specific grounds identified [] in connection with the refer-

enced patent claim(s) (as presently issued) on the instituted *inter partes* review petition, or on any other ground for a given patent claim for which the Board institutes, that was raised or could have reasonably been raised in an IPR (i.e., any ground that could be raised under §§ 102 or 103 on the basis of prior art patents or printed publications)”, ensures that there will not be overlap in the respective issues between the two cases. *See* Ex. 1024.

Confusingly, Patent Owner elsewhere argues that the ***lack of*** overlap between the two cases also weighs in favor of discretionary denial. Namely, Patent Owner contends that Petitioner is being inconsistent because Petitioner has not argued in this case that claims of the ’866 Patent are indefinite. Paper 9 at 6. Of course, an IPR petitioner may only challenge claims on anticipation or obviousness grounds, not indefiniteness. 35 U.S.C. § 311(b). Additionally, the Board has held that the mere existence of issues outside of its purview (e.g., indefiniteness in parallel litigation) “does not justify exercising discretion to deny *inter partes* review.” *Target Corporation v. Proxicom Wireless, LLC*, IPR2020-00904, Paper 11 at 12-13 (Nov. 10, 2020); *see also Zillow Group, Inc. v. International Business Machines Corp.*, IPR2020-01656, Paper 8 at 11 (granting institution where Patent Owner requested denial in view of district court indefiniteness arguments and noting “Patent Owner cites no authority nor are we aware of any authority for the proposition that we may

not assess the patentability of claims in an *inter partes* review because the Petitioner also challenges those claims as indefinite in District Court”).

While Patent Owner elsewhere focuses on overlapping issues in this case and the parallel litigation, Patent Owner ignores the substantial advantages of having the Board conduct a thorough analysis of the ’866 Patent specifically. The district court lacks the Board’s technical expertise, and the district court will be unable to conduct the focused review of the prior art that the Board can provide. In the parallel litigation, the ’866 Patent is only one of seven asserted patents, including six unrelated patent families, six different priority dates, and both pre-AIA and post-AIA patents. *See* Ex. 2002 (Second Amended Complaint for Patent Infringement, Breach of Contract, *Wacom Co., Ltd. v. Shenzhen Qianfenyi Intelligent Technology Co., Ltd.*, No. 2:24-cv-702-JRG (E.D. Tex. Oct. 27, 2025)). As a result, the district court will be unable to provide the focused claim construction and analysis and prior art review that the Board is equipped to provide. *See Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00217, Paper 10 at 2-3 (June 13, 2025) (denying request for discretionary denial where “the district court proceeding involves eleven patents spanning nine different families that involve a diverse range of subject matter.”).

The fourth *Fintiv* factor, therefore, weighs in favor of institution and against discretionary denial because the IPR petition raises issues that are not present in the parallel litigation, including additional challenged claims.

E. *Fintiv* factor five – the parties are the same.

The fifth *Fintiv* factor considers whether the parties are the same in both the instant proceeding and the parallel litigation. *Fintiv* at 14. While the parties are the same in this case, the presence of non-overlapping issues at factor four should cancel out the weight given to factor five because the issues in the two cases differ. Additionally, considerations under the fifth *Fintiv* factor are outweighed by multiple other *Fintiv* factors that weigh in favor of institution and against discretionary denial.

F. Additional considerations encompassed by *Fintiv* factor six and a holistic analysis weigh in favor of institution.

The final *Fintiv* factor weighs other circumstances that may impact the Board’s decision, including the merits of the case and appropriate use of expert testimony. Notably, this is not a case where expert testimony is used to “fill gaps in the art.” See *iRhythm Tech. v. Welch Allyn, Inc.*, IPR2025-00363, Paper 10, at 2-3. (June 6, 2025). Instead, expert testimony is appropriately used in this case to explain background knowledge, which is a factor that weighs against discretionary denial. See *id* & Ex. 1003. Additionally, the merits in this case are compelling, which is a factor that weighs in favor of institution and against discretionary denial. See *Stingray Group Inc.*, Paper 19 at 9-10 (weighing the merits in a discretionary analysis). The petition in this case shows invalidity of the challenged claims using only three references, two of which are shown to anticipate the claims or render them obvious

without use of a secondary reference.² Namely, the petition illustrates invalidity of the challenged claims based on Kremin (Ex. 1005) alone and Westhues (Ex. 1006) alone. *See* Paper 1 at 17-32 & 40-55.

Other factors, including the merits, are particularly compelling in this case. The sixth *Fintiv* factor, therefore, weighs heavily in favor of institution and against discretionary denial.

G. Patent Owner failed to establish “settled expectations,” and non-*Fintiv* considerations also weigh in favor of institution.

Lastly, Patent Owner argues that this case should be discretionarily denied in view of its “settled expectations,” citing to the age of the patent. Paper 9 at 7-8. While the Director’s memorandum of March 26, 2025, titled “Interim Processes for PTAB Workload Management” (“Morgan Stewart Memo”), lists “settled expectations” as one of several relevant considerations, Patent Owner has failed to establish the existence of settled expectations in this case. In particular, a countervailing consideration in this case is “[w]hether the PTAB or another forum

² While not raised in Patent Owner’s brief, Petitioner notes that the secondary Partow reference is listed on the face of the ’866 Patent, though it was not applied in any claim rejections. Petitioner mentions this only to note that discretionary denial also is not warranted under 35 U.S.C. § 325(d) and the factors set forth in *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 at 17-18 (PTAB. Dec. 15, 2017). Patent Owner has not argued, nor can it be shown, that the same or substantially the same prior art or arguments previously were presented to the Office, particularly in view of the primary Kremin and Westhues references, which were not identified or considered during prosecution.

has already adjudicated the validity or patentability of the challenged patent claims.” Morgan Stewart Memo at 2. In fact, the validity of the challenged claims has not been adjudicated in any forum, which undercuts Patent Owner’s claim of “settled expectations.” Aside from the mere age of the patent, Patent Owner makes unsubstantiated statements about the alleged value of the ’866 Patent in the stylus industry. Paper 9 at 2. For example, Patent Owner does not provide any valuation of the ’866 Patent to show that it is regarded in its industry as being valuable. In fact, Patent Owner’s evidence shows that the ’866 Patent was merely one of 67 different patents assigned from Atmel to Wacom on the date of assignment. Ex. 2001 at 1. And while Patent Owner references alleged offers to license its patents “as early as 2020”, those alleged offers admittedly did not include the ’866 Patent. *See* Paper at 7 (citing Ex. 2002). The evidence of record suggests that the value of the ’866 Patent is low, especially in view of the high likelihood that the ’866 Patent is invalid. This further undercuts Patent Owner’s claim of “settled expectations.”

Additionally, even if Patent Owner had shown settled expectations, the Board should consider other countervailing factors from the Morgan Stewart Memo, such as the strength of the unpatentability challenge, which is another independent factor in the Morgan Stewart Memo. As discussed above, two separate references invalidate the ’866 Patent without the use of a secondary reference. The strength of

the validity challenge, therefore, is remarkably high in this case, which is a factor that weighs strongly against discretionary denial.

III. CONCLUSION

The Board should not exercise its discretion to deny institution in this case. On balance, the *Fintiv* factors weigh in favor of institution and against discretionary denial. Additionally, non-*Fintiv* factors weigh firmly in favor of institution and against discretionary denial, particularly considering the strength of the invalidity challenge in this case.

Dated: December 10, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on this date a true and correct copy of the foregoing document, including exhibits thereto, was served via email to Petitioner by serving the correspondence email addresses of record as follows:

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