

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

HISENSE USA CORP.,
Petitioner,

v.

LIGHT GUIDE INNOVATIONS LLC,
Patent Owner.

Case: IPR2025-01538
U.S. Patent No. 8,267,537

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

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PETITIONER’S EXHIBIT LIST

Exhibit No.	Description
1001	U.S. Patent No. 8,267,537 to Park (“’537 Patent”)
1002	Declaration of Mike Krames, PhD, NAE, FIEEE, FIES
1003	Certified Translation of Taiwan Patent No. TWI248538B to Liu and translation certification
1004	U.S. Patent Publication No. 2006/0247414 to Roberts (“Roberts”)
1005	File History Excerpts for U.S. Patent No. 8,267,537 to Park
1006	US Patent Publication No. 2006/0187660 to Liu (“Liu-660”)
1007	Taiwan Patent No. TWI248538B to Liu (“Liu”)
1008	US Patent Publication No. 2007/0065718 to Moon
1009	Taiwan Intellectual Property Office Bibliographic Data Sheet for Taiwan Patent No. TWI248538
1010	Judge Schroeder Calendar of Events for 2027 in Marshall Texas
1011	Docket Navigator, the median time-to-trial data for Judge Schroeder

I. INTRODUCTION

The Director should deny Patent Owner's Request for Discretionary Denial (Paper 6) ("Request") for at least three reasons.

First, the *Fintiv* factors weigh in favor of institution and against discretionary denial. It is most likely that the Final Written Decision will issue prior to any trial in the parallel proceeding, *Light Guide Innovations LLC v. Walmart Inc.*, No. 2:25-cv-00312-RWS-RSP ("*Marshall* litigation"). Additionally, there has been little investment by the parties in the *Marshall* litigation, and the claim construction briefing and the Markman hearing will occur many months after institution. Furthermore, Petitioner's *Sotera* plus stipulation eliminates any potential for overlap between the instant IPR and the *Marshall* litigation.

Second, the Office failed to provide a substantive examination of the challenged claims of U.S. Patent No. 8,267,537 ("573 patent") due to Patent Owner's iterative reliance upon the priority date of its priority applications thereby circumventing the two rejections formulated by the Examiner. *See* Petition ("Pet."), Paper 3, 2. Contrary to the lack of substantive prosecution by the Office, the Petition demonstrates that the prior art is replete with disclosures that invalidate the challenged claims. Accordingly, institution is appropriate as it would provide the first substantive examination of the challenged claims by the Office.

Third, the parties' settled expectations weigh against discretionary denial.

Petitioner has a settled expectation of non-enforcement due to a lack of enforcement by Patent Owner for over 13 years since the issuance of the '537 patent. Thus, Petitioner had settled expectations that its products did not infringe the '537 patent and that the '537 patent would not be asserted against Petitioner.

Accordingly, Petitioner respectfully requests that the Director decline to exercise discretion to deny institution.

II. THE *FINTIV* FACTORS FAVOR INSTITUTION

A. Factor 1 (Stay): Does Not Support Discretionary Denial

This factor considers “whether a stay exists or is likely to be granted if a proceeding is instituted.” *Fintiv*, Paper 11 at 6. The Board “will not attempt to predict how the district court ... will proceed” regarding potential stays “because the court may determine whether or not to stay any individual case ... based on a variety of circumstances and facts.” *Sand Revolution II, LLC v. Continental Intermodal Group-Trucking LLC*, IPR2019-01393, Paper 24 at 7 (P.T.A.B. Jun. 16, 2020) (informative). Furthermore, the district court case is pending in the Eastern District of Texas, which has granted motions to stay in light of instituted IPRs. Examples include *Resonant Sys., Inc. v. Nintendo Co.*, No. 2:25-cv-90, at *2-3 (E.D. Tex. Jul. 25, 2025) and *Maxeon Solar Pte. Ltd. v. Canadian Solar Inc.*, No. 2:24-cv-210, 2025 WL 1811321, at *2-3 (E.D. Tex. Jul. 1, 2025). The *Marshall* litigation is pending before District Judge Robert W. Schroeder III, and Judge Schroeder has previously

stayed district court cases in light of instituted IPRs. *See, e.g., Fall Line Patents, LLC v. Zoe's Kitchen, Inc.*, No. 6:18-cv-407-RWS, 2019 WL 11025871, at *1 (E.D. Tex. Aug. 9, 2019); *Papst Licensing GmbH & Co. v. Apple, Inc.*, No. 6:15-cv-1095-RWS, 2017 WL 11638426, at *2-5 (E.D. Tex. Jun. 16, 2017). Thus, this factor is at worst neutral and does not support discretionary denial.

B. Factor 2 (Trial Date): Weighs Against Discretionary Denial

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*, Paper 11 at 6. The Docket Control Order from the *Marshall* Litigation on August 4, 2025 noted that jury selection was scheduled for February 16, 2027. EX2001, 1. The projected statutory deadline for a Final Written Decision of this IPR is March 22, 2027.

Factor 2 is at worst neutral because of the uncertainty surrounding Judge Schroeder’s availability to oversee the trial involving the ’537 Patent as scheduled given the numerous trials scheduled on that same date and the fact that he borrows the courtroom in Marshall, Texas from Judge Gilstrap because Judge Schroder is typically in Texarkana, Texas. Thus, trial will likely occur during one of Judge Schroeder’s sittings in Marshall, of which there are only two currently scheduled in 2027. *See* Judge Schroeder Calendar of Events for 2027 in Marshall Texas, EX1010, 1-3 (The only sittings Judge Schroeder currently has scheduled for 2027 in Marshall, Texas are for Feb. 16, 2027 and April 19, 2027. There are currently five patent trials

scheduled for Judge Schroeder's February 16, 2027 sitting and seven patent trials scheduled for Judge Schroeder's April 19, 2027 sitting).

Patent Owner contends that a jury trial is currently scheduled before Judge Schroeder on February 16, 2027. Ex. 2001, 1. However, Patent Owner fails to acknowledge that, as of December 2026, there are five cases scheduled to be tried by Judge Schroeder on that same date, February 16, 2027, and the *Marshall* litigation, involving the '537 patent, is third on the list:

1. *Secure Matrix LLC v. Brookshire Grocery Company*, No. 2:24-cv-01080-RWS-RSP;

2. *Orckit Corporation v. Cisco Systems, Inc.*, No. 2:25-cv-00181-RWS-RSP;

3. ***Light Guide Innovations LLC v. Walmart Inc.*, No. 2:25-cv-00312-RWS-RSP;**

4. *Zugara, Inc. v. Cisco Systems, Inc.*, No. 2:25-cv-00437-RWS-RSP;

5. *Renascent Energy Holdings LLC v. Exxon Mobil Corporation*, No. 2:25-cv-00623-RWS-RSP;

EX1010, 1. As shown above, there are two cases that would be called to trial prior to a trial involving the '537 Patent. Because Judge Schroeder cannot simultaneously try multiple patent cases and *Marshall* litigation involving the '537 Patent is currently third on the Court's schedule, it is speculative to assume that the trial date

will hold. And, if it does not, Judge Schroder currently has only one remaining sitting in Marshall in 2027 currently scheduled. *See* EX1010, 1-3. Therefore, Patent Owner's conclusion that "District Court Litigation's trial will be over a month before the projected statutory deadline" (Request, 6) is speculative and unsupported. Accordingly, at the very least, this factor is neutral or at least slightly weighs against exercising discretion to deny the Petition. *Boe Tech. Grp. Co. v. Optronic Scis. LLC*, IPR2024-01130, 2025 WL 305477, at *4 (P.T.A.B. Jan. 27, 2025) (*Fintiv* factor 2 "neutral or weigh[s] slightly in favor of not exercising discretion" where district court "set 10 cases for jury selection on the same day").

Furthermore, it is statistically unlikely that the current projected trial date of February 16, 2027 is accurate. A more accurate projection can be based on the median time-to-trial data for Judge Schroeder. According to Docket Navigator, the median time-to-trial data for Judge Schroeder is 29 months. *See* Docket Navigator, the median time-to-trial data for Judge Schroeder, EX1011, 1. Accordingly, a more accurate prediction of the trial date would be August 21, 2027, i.e., well after the final written decision statutory deadline of March 22, 2027.

Even assuming that the February 2027 date were to hold and the Final Written Decision ("FWD") may come after the trial date, this is not an impediment to institution of IPR. The Board has instituted trial based on many of factors present here, such as diligence in filing the petition, a stipulation not to pursue the asserted

grounds in litigation, minimal investment in litigation, and the merits of the challenge are strong. *Lego Sys., Inc. v. Mq Gaming LLC*, No. IPR2020-01445, 2021 WL 606917, at *8 (finding jury trial “five months before a final written decision” outweighed by “low” “investment by the court and parties in the [parallel case] on” common issues, Petitioner’s *Sotera* stipulation, and strong merits to the challenge); *Verizon Business Network Services, Inc. v. Huawei Techs. Co.*, IPR2020-01141, Paper 12 (Jan. 14, 2021).

Thus, factor 2 weighs against discretionary denial.

C. Factor 3 (Parallel Proceeding): There Has Been Minimal Investment in the Related Litigation

This factor considers “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*, Paper 11 at 9. “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 10. Here, the district court has not made any substantive rulings on the challenged patents, and it is unlikely to do so prior to the institution decision on March 22, 2026. EX2004 (Docket Control Order), 6.

Investment in the parallel proceeding weighs against discretionary denial because the parties have invested little in the district court litigation to date. For

example, claim construction briefing is not scheduled to begin until July 6, 2026, more than three months after the intuition decision. *See* EX2001, 4. Furthermore, the Markman hearing is not scheduled until August 14, 2026, well after the institution decision. In fact, Petitioner only recently filed its Answer to Patent Owner's Amended Complaint on October 10, 2025.

The early stage of the case and the minimal investment by the parties weighs heavily in favor of institution.

D. Factor 4 (Issue Overlap): Petitioner's *Sotera*+ Stipulation Eliminates Any Potential Overlap

Petitioner's broad stipulation outweighs every other *Fintiv* factor. *See* Pet., 67. Petitioner broadly stipulated that, "if the Petition is instituted, Petitioner will not pursue any grounds raised in this Petition, or any grounds Petitioner could have reasonably raised in this Petition, in the Litigation or any parallel proceeding. *Id.* (citing *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 12-13 (PTAB Dec. 1, 2020) (precedential)). Petitioner further stipulated that, "if the PTAB institutes review in this proceeding, it will not rely in the litigation on any product or system that is 'based on the same evidence presented' in this IPR and will not advance a theory of obviousness based on the combination of prior art that is asserted in any ground presented in the Petition with any other prior art, including product or system prior art, against the challenged claims." *Id.* (citing *Cf. SAP America, Inc. v.*

Cyandia, Inc., IPR2024-01496, Paper 13 at 9 (PTAB Apr. 7, 2025)).

This stipulation not only includes the standard *Sotera* stipulation but also addresses duplication between product art and IPR art. *See id.* Accordingly, Patent Owner’s allegations that there “is overlap between the claims and grounds at issue in this Petition and the” *Marshall* litigation (Request, 5) lacks basis because this “broad stipulation ... reduces the concern of inconsistent outcomes or significant duplication of efforts.” *Samsung Electronics Co., Ltd. v. Wilus Inst. of Standards and Technology Inc.*, IPR2025-00933, Paper 11 at 3 (Director Oct. 10, 2025); *see also Shenzen Tuozhu Tech. Co. v. Stratasys, Inc.*, IPR2025-00438, Paper 10 at 3 (Director Jul. 17, 2025) (“a broad stipulation” helped “tip the balance against discretionary denial”).

E. Factor 5 (Same Party): The Parties Are the Same

Because Patent Owner and Petitioner are the parties in the *Marshall* litigation, and because the Board will likely issue an FWD before any trial in the *Marshall* litigation, this factor weighs against discretionary denial. *Samsung Elecs. Co. v. Staton Techiya, LLC*, IPR2022-00302, Paper 13 at 18-19 (P.T.A.B. July 11, 2022) (factor five weighs against discretionary denial when the statutory deadline for FWD is before the expected trial date in parallel litigation); *CrowdStrike, Inc. v. Open Text Inc.*, IPR2023-00289, Paper 7 at 16 (P.T.A.B. July 21, 2023) (same).

F. Factor 6 (Other Considerations): Other Circumstances Weigh in Favor of Institution

Factor 6 weighs heavily against discretionary denial because the Petition provides strong arguments on the merits of the '537 patent's validity and addresses errors made by the Patent Office during prosecution.

1. *The Petition Provides Strong Arguments on the Merits*

Patent Owner's Request for discretionary denial makes the conclusory assertion that the Petition includes an "Excessive Number of Grounds and Weak Merits." Request, 2. Specifically, Patent Owner argues that "the Petition asserts a patchwork of three obviousness grounds combining three different references." *Id.* Yet, Patent Owner fails to acknowledge that USPTO office actions and IPR petitions routinely provide multiple obviousness grounds based on three or more references. Further, the Board has routinely relied on such petitions as demonstrating the unpatentability of the challenged claims. Indeed, "[t]he criterion...is not the number of references, but what they would have meant to a person of ordinary skill in the field of the invention." *In re Gorman*, 933 F.2d 982 (Fed. Cir. 1991); *see also* MPEP § 707.07(f). Notably, Patent Owner offers no support for its allegation that the petition "would be excessively burdensome." Request, 3. Many years of Board precedent reviewing and analyzing similar petitions belie Patent Owner's allegations. Furthermore, Patent Owner alleges that the petition has "Weak Merits"

(Request, 2) but fails provide any substantive analysis of the alleged weakness in the obviousness grounds proposed in the petition. As established in detail in the Petition, each of the three obviousness grounds persuasively illustrates the unpatentability of the challenged claims of the '537 patent.

2. *The Lack of Substantive Examination During Prosecution Favors Institution*

During prosecution, the Office failed to cite references that were prior art. Specifically, the first action rejected all pending claims based on US 2008/0304259 to Teng and US 2007/0211205 to Shibata. Patent Owner overcame the rejection by arguing those references were not prior art due to the December 21, 2007 international application filing date. EX1005-FH, 306.

Next, the Office rejected all pending claims based on US 2007/0230206 to Hsiao. EX1005-FH, 281. Again, Patent Owner overcame the rejection by removing the asserted prior art by arguing priority to the December 29, 2006 Korean application filing date. EX1005-FH, 256.

The Office then issued a Notice of Allowance on the basis that independent claims 1 and 13 provide a “combination of limitations [that] is not found, taught, or suggested in the prior art.” EX1005-FH, 241.

Accordingly, the '537 Patent never received any substantive examination during prosecution despite the prior art being replete with disclosures that obviate the challenged claims, as the instant challenge shows. Accordingly, institution is

appropriate here as it would provide for the first substantive examination of the challenged claims by the Office.

III. SETTLED EXPECTATIONS SUPPORT A MERITS CONSIDERATION

The Board should also deny PO's discretionary denial in view of the expectations of the parties. *See* USPTO "Interim Processes for PTAB Workload Management," Mar. 26, 2025, 2 ("relevant considerations" for discretionary denial may include "[s]ettled expectations of *the parties*") (emphasis added).

Contrary to Patent Owner's argument, Petitioner has a settled expectation of non-enforcement and non-infringement. *See Apple Inc. v. Allani*, IPR2025-00856, Paper 11 at 3 (P.T.A.B. Sept. 5, 2025) (finding a settled expectation of non-enforcement where patent owner did not file suit "until eleven years after the parties' discussion about that patent" and where "Patent Owner did not assert the challenged patents against Petitioner until after they expired."); *Globus Med., Inc. v. Spinelogik, Inc.*, IPR2025-00225, Paper 8 at 2 (P.T.A.B. June 12, 2025) (patent expiring "almost four years ago" supported expectation of "non-enforcement of the challenged patent"). The '537 patent issued on September 18, 2012, yet Patent Owner chose not to attempt to enforce the patent against any defendant until January 17, 2025.

Accordingly, Petitioner had a settled expectation based on the lack of assertion by Patent Owner of the '537 patent for over 13 years.

IV. CONCLUSION

For these reasons, Petitioner respectfully requests that the Director decline to exercise discretion to deny institution and institute the Petition on the merits.

Dated: December 22, 2025

Respectfully submitted,

/Trenton A. Ward/

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CERTIFICATE OF SERVICE

The undersigned certifies that on December 22, 2025, I caused true and correct copies of PETITIONER'S OPPOSITION TO PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL OF INSTITUTION AND EXHIBITS 1010 and 1011 to be served on Patent Owner by filing this document and associated exhibit through the Patent Trial and Appeal Case Tracking System (P-TACTS) and transmitting these documents via electronic mail upon counsel of record for the Patent Owner as follows:

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