

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

APPLE INC.,
Petitioner

v.

ISCAN2D TECHNOLOGIES, LLC,
Patent Owner

Case IPR2026-00316
U.S. Patent No. 11,664,123

**PETITIONER’S OPPOSITION TO PATENT OWNER’S
DISCRETIONARY DENIAL BRIEF**

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Patent Trial and Appeal Board
U.S. Patent and Trademark Office
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PETITIONER'S EXHIBIT LIST

Exhibit No.	Description
1001	U.S. Patent No. 11,664,123 to McKirdy
1002	File History of U.S. Patent No. 11,664,123
1003	Declaration of Prashant Shenoy in Support of Petition for <i>Inter Partes</i> Review of U.S. Patent No. 11,664,123
1004	U.S. Patent Application Publication No. 2011/0072263 to Bishop et al. ("Bishop")
1005	U.S. Patent Application Publication No. 2008/0146892 to LeBoeuf et al. ("LeBoeuf")
1006	U.S. Patent Application Publication No. 2011/0081860 to Brown et al. ("Brown")
1007	International Patent Application Publication No. WO 2010/144626 to Weiss ("Weiss")
1008	U.S. Patent Application Publication No. 2012/0198531 to Ort et al. ("Ort")
1009	U.S. Patent Application Publication No. 2010/0012715 to Williams et al. ("Williams")
1010	U.S. Patent Application Publication No. 2008/0052243 to Narayanaswami et al. ("Narayanaswami")
1011	U.S. Patent No. 4,403,869 to Crutcher ("Crutcher")
1012	U.S. Patent No. 2,612,994 to Woodland et al. ("Woodland")
1013	Pavlidis et al., "Fundamentals of Bar Code Information Theory," IEEE (1990)

Exhibit No.	Description
1014	Gao et al., “Understanding 2D-BarCode Technology and Applications in M-Commerce – Design and Implementation of a 2D Barcode Processing Solution,” (31st Annual International Computer Software and Applications Conference (2007))
1015	Pavlidis, “A New Paper/Computer Interface: Two-Dimensional Symbolologies,” IEEE (2000)
1016	U.S. Patent Application Publication No. 2012/0024956 to Chen (“Chen”)
1017	Parikh et al., “Localization and Segmentation of a 2D High Capacity Color Barcode,” 2008 IEEE Workshop on Applications of Computer Vision
1018	Bagherinia et al., “A Theory of Color Barcodes,” UC Santa Cruz (2011)
1019	Grillo et al., “High Capacity Colored Two Dimensional Codes,” Proceedings of the International Multiconference on Computer Science and Information Technology (2010)
1020	Claycomb et al., “Using a Two Dimensional Colorized Barcode Solution for Authentication in Pervasive Computing,” ACS/IEEE International Conference on Pervasive Services (2006)
1021	U.S. Patent No. 8,823,494 to Kovitz et al. (“Kovitz”)
1022	U.S. Patent Application Publication No. 2011/0295502 to Faenger (“Faenger”)
1023	U.S. Patent Application Publication No. 2005/0139680 to Anttila et al. (“Anttila”)
1024	U.S. Patent Application Publication No. 2008/0132798 to Hong et al. (“Hong”)
1025	U.S. Patent Application Publication No. 2011/0066009 to Moon et al. (“Moon”)

Exhibit No.	Description
1026	U.S. Patent Application Publication No. 2010/0121227 to Stirling et al. (“Stirling”)
1027	U.S. Patent Application Publication No. 2012/0067944 to Ross (“Ross”)
1028	U.S. Patent Application Publication No. 2008/0210754 to Lovett (“Lovett”)
1029	U.S. Patent Application Publication No. 2005/0032515 to Mastio (“Mastio”)
1030	U.S. Patent Application Publication No. 2010/0321609 to Qui et al. (“Qui”)
1031	U.S. Patent Application Publication No. 2010/0156676 to Mooring et al. (“Mooring”)
1032	U.S. Patent Application Publication No. 2008/0168361 to Forstall et al. (“Forstall”)
1033	<i>Curriculum Vitae</i> of Dr. Prashant Shenoy
1034	File History of U.S. Patent No. 12,230,394
1035	<i>Apple will spend more than \$500 billion in the U.S. over the next four years</i> , Apple Newsroom, Feb. 24, 2025
1036	<i>Apple and Corning partner to manufacture 100 percent of iPhone and Apple Watch cover glass in Kentucky</i> , Apple Newsroom, Aug. 6, 2025
1037	<i>Apple accelerates U.S. manufacturing, with Mac mini production coming later this year</i> , Apple Newsroom, Feb. 24, 2026
1038	<i>Apple announces expanded partnership with Amkor for advanced silicon packaging in the U.S.</i> , Apple Newsroom, Nov. 30, 2023
1039	<i>Apple adds new partners to its American Manufacturing Program</i> , Apple Newsroom, Mar. 26, 2026

Exhibit No.	Description
1040	<i>Apple expands U.S. supply chain with \$500 million commitment to American rare earth magnets, Apple Newsroom, July 15, 2025</i>
1041	<i>Apple Manufacturing Academy brings together hundreds of U.S. manufacturers to accelerate AI use in American supply chains, Apple Newsroom, May 5, 2026</i>
1042	<i>Apple increases U.S. commitment to \$600 billion, announces American Manufacturing Program, Apple Newsroom, August 6, 2025</i>
1043	Docket Navigator Report showing Success Rate of Motions to Stay Pending <i>Inter Partes</i> Review in the Northern District of California, generated August 7, 2026
1044	<i>iScan2D Techs., LLC v. Apple Inc.</i> , Case No. 1:25-cv-1794 (W.D. Tex.), First Amended Complaint for Patent Infringement, filed Feb. 2, 2026

I. INTRODUCTION

The Director should institute this IPR of U.S. Patent No. 11,664,123 (the '123 patent) because discretionary and non-discretionary considerations strongly favor review. The Director's recent decision in *Tesla, Inc. v. Bulletproof Prop. Mgmt., LLC*, IPR2026-00204, Paper 14 (PTAB June 15, 2026) (informative) declined discretionary denial of seven IPR petitions based on the absence of a firm trial date, material Office error, early patent challenges, and the petitioner's U.S. manufacturing activities. The same considerations are present and favor institution here.

iScan2D asks the Director to deny institution solely based on the *Advanced Bionics* framework. These arguments fail because (1) the Petition's asserted art and arguments are substantially different from those considered during prosecution and (2) the Examiner materially erred in allowing the claims. Additionally, iScan2D ignores the many other discretionary considerations that strongly favor review. For instance, iScan2D does not have settled expectations in the '123 patent because it issued less than three years before Apple filed the Petition, and there is no evidence of commercialization, licensing, marking, or prior assertion. This is the '123 patent's first post-grant challenge at the Office. The parallel litigation is in its infancy and was recently transferred to the Northern District of California, where no trial date has been set. Finally, Apple recently committed to an extensive and

expanding domestic manufacturing presence, including a recent \$600 billion dollar U.S. spend commitment. For these reasons, the Board should consider the merits of the Petition and institute review.

II. THE EXAMINER MATERIALLY ERRED IN ALLOWING THE '123 PATENT

The Examiner materially erred in allowing the '123 patent. It is an appropriate use of Office resources to review these material errors. *Magnolia Med. Techs., Inc. v. Kurin, Inc.*, IPR2026-00097, Paper 17 at 8 (PTAB May 14, 2026) (precedential); *Padagis US LLC v. Neurelis, Inc.*, IPR2025-00464, Paper 12 at 3-4 (PTAB July 16, 2025) (informative).

First, although the Examiner considered Brown when evaluating the claims, she missed Brown's key teachings related to barcode-pairing. She did, however, later acknowledge that Brown teaches the claims' barcode-pairing aspects. Specifically, during prosecution of U.S. Patent No. 12,230,394 ("the '394 patent"), which is a direct continuation of the '123 patent with substantially similar claims, and is also challenged in a concurrently-filed IPR (IPR2026-00317), the same Examiner admitted that Brown teaches "performing Bluetooth pairing between two devices where a first device generates a barcode that encodes the Bluetooth pairing data that is scanned using a camera as a barcode scanner."¹ EX1034, 177-189. The

¹ Despite iScan2D's accusations to the contrary, DD Brief, 11, the Petition

Examiner materially erred by failing to apply Brown's barcode-pairing teachings to reject the '123 patent.

Second, the Examiner missed key disclosures in Brown that provide express teaching, suggestion, and motivation (TSM) for implementing Brown's barcode-pairing techniques with wearable fitness/health devices, such as those disclosed in LeBoeuf and Weiss. In her Notice of Allowance, the Examiner stated that the "prior art of record fails to provide sufficient teaching or motivation to one of ordinary skill in the art" to address the combination of features claimed. EX1002, 224. In doing so, she overlooked or misapprehended Brown's express teachings that would have motivated a POSA to combine Brown with a wearable. *See, e.g.,* Pet., 48-52. For example, Brown explains that its technique "simplif[ies] the discovery and pairing process," and can be "employed in devices with limited processing power and input capability." EX1006, ¶¶46-47. Brown's technique also "make[s] it more difficult for an attacker" to snoop on the pairing process. EX1006, ¶46, *see also* ¶44. Such motivations apply to wearable fitness/health devices, which are typically small with limited processing and input capability and exchange sensitive health data.

The Petition also relies on Bishop, which teaches a similar barcode-based

does indeed explain that Brown was previously before the Office. Pet., 3.

wireless-pairing technique as Brown, and provides similar express motivation for implementing these techniques in a system such as that disclosed by LeBoeuf or Weiss. Pet., 7-14. For instance, Bishop's technique enables "two devices [to] be easily paired," thereby improving upon conventional, "cumbersome" pairing processes. EX1004, ¶¶1, 57. Bishop's techniques are also "platform-independent," and can be implemented "[a]nywhere communication between two devices is desired." EX1004, ¶¶15, 58, 81.

Given these disclosures, a POSA would have found it obvious to implement Brown and Bishop's pairing techniques in the wearable-device/mobile-device systems taught by Weiss or LeBoeuf for communicating biometric information. *See* Pet., 9-14, 48-52. The Examiner erred by failing to identify these express teachings.

Finally, the Examiner erred by failing to find or appreciate prior art teachings related to wearables with wireless pairing capabilities, such as those provided by Weiss and LeBoeuf, which a POSA would have found obvious to combine with Brown or Bishop. This error was caused by the applicant's post-notice of allowance amendment changing the preamble from "exercise device" to "wearable activity device." EX1002, 180. The Examiner's early searches were directed to stationary exercise equipment, using terms such as "treadmill," "rowing," "elliptical," etc. EX1002, 134-135, 170-171. After the amendment, the

Examiner performed a cursory search directed to “wearable[s]” that lasted a total of nine minutes, and after another RCE, performed another search that lasted a total of 14 minutes. EX1002, 203-205 (showing timestamps from 9:33 AM to 9:42 AM), 232-235 (timestamps from 8:44 AM to 8:58 AM).

These abbreviated searches caused the Examiner to miss relevant teachings in the prior art. Indeed, the Petition and Dr. Shenoy provide many examples of patent references teaching wearables with wireless pairing capabilities for communicating biometric data. *See, e.g.*, Pet., 8-9, 47-48; EX1003, ¶¶55-58. The Petition also demonstrates that combining such references with Brown would have been obvious. That the Examiner allowed the claims without considering such references constitutes material error. The claims should never have been allowed.

III. THE *ADVANCED BIONICS* FRAMEWORK STRONGLY FAVORS INSTITUTION

Petitioner asks the Office to discretionarily deny this IPR solely on the basis of the *Advanced Bionics* framework. DD Brief, 1-4. This framework considers (1) whether the same or substantially the same 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 the challenged claims. *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 8 (PTAB Feb. 13, 2020) (precedential). This analysis favors review because the art and arguments asserted in the Petition are substantially

different from those considered during prosecution. Moreover, the Examiner materially erred in allowing the claims.

A. The Petition’s prior art and arguments are substantially different from those considered during prosecution.

Only a single reference asserted in the Petition—Brown—was considered (but not applied) by the Office during prosecution. Pet., 4-5. The Office has not previously considered Bishop, LeBoeuf, Weiss, Ort, Williams, Kovitz, or any of the combinations asserted in the Petition. The Petition thus relies on substantially new art and arguments not previously considered by the Office.

As explained above, during prosecution of the ’394 patent, the Examiner acknowledged that Brown teaches the barcode-pairing aspects of the claims. EX1034, 177-89. However, the Examiner allowed the claims over Brown because she was unable to find or appreciate in the prior art a teaching of communicating biometric or activity information between a wearable device and a mobile device that could be used as the basis for a combination with Brown. *Id.*

The Petition demonstrates, however, that such teaching was in the prior art, and that it would have been obvious to combine such teaching with Brown to arrive at the claims. In particular, the Petition combines Brown with Weiss, which teaches these missing elements and was not previously before the Office. Weiss discloses a system for “monitoring one or more physiological conditions” that includes a “personal monitoring device” that is “designed to be easily wearable and

include[s]... a plurality of sensors for detecting one or more physiological attributes” of a user. EX1007, 1:23-28, 2:11-15; EX1003, ¶189. The monitoring device communicates such physiological attributes to a “smartphone,” for instance, “using the Bluetooth™ open wireless standard.” EX1007, 2:8-11, 8:11-14. The Petition explains that, in view of Brown’s express motivations, a POSA would have found it obvious to implement Brown’s barcode-pairing technique to establish Weiss’s wireless-communication link between the wearable and mobile devices to enable communication of these physiological attributes. Pet., 48-52.

The combination of Brown and Weiss thus presents new art and arguments not considered by the Office during prosecution. Indeed, the prior art considered by the Office does not teach this collective functionality, and the Office was not presented with any argument for combining the prior art in the manner asserted in the Petition.

B. iScan2D fails to show that the Petition art is cumulative with the art considered during prosecution.

iScan2D argues that the prior art and arguments asserted in the Petition are “cumulative” with those considered during prosecution. For instance, iScan2D argues that: (1) the Petition’s asserted grounds are collectively cumulative to U.S. Patent Application Publication No. 2008/0300109 to Karkanias; (2) Weiss and LeBoeuf are cumulative to Karkanias and U.S. Patent Application Publication 2007/0033068 to Rao; (3) Bishop and Ort are cumulative to Brown; and (4) the

prior art applied for the dependent claims “reinforce[s]” the § 325(d) analysis. DD Brief, 14. iScan2D is wrong. The Petition’s art and arguments are substantially different from those disclosed by Karkanias and Rao. Moreover, as already explained, the Office failed to consider any of the *combinations* asserted in the Petition or the obviousness arguments presented for those combinations.

1. The Petition grounds are not cumulative with Karkanias.

iScan2D argues that the prior art asserted in the Petition is cumulative with Karkanias, which the Examiner applied in a rejection under 35 U.S.C. § 102. DD Brief, 4-5, 8-10. According to iScan2D, Karkanias encompasses in a single reference “the teaching the Petition draws from Bishop and Brown” and “the teaching it draws from LeBoeuf and Weiss.” DD Brief, 9. This is plainly incorrect.

The Petition generally relies on LeBoeuf and Weiss’s disclosures of wearable sensor devices that generate and communicate biometric and activity data to a mobile device over a short range wireless communication link, such as Bluetooth. *See, e.g.*, Pet., 9-14, 48-52. The Petition generally relies on Bishop and Brown’s barcode-based pairing processes to establish LeBoeuf and Weiss’s wireless communication link. *Id.* Bishop and Brown provide express motivation for implementing their pairing techniques in LeBoeuf and Weiss. *Id.* Karkanias does not teach these features.

Karkanias discloses a “system that facilitates activity management and

tracking” in which “activity information” is encoded in a barcode that can be scanned and processed by a computing device. EX2001, Abstract. For instance, Karkanias’s barcode encodes “activities completed,” such as “repetitions completed, distance traveled, inclination rates, speed/velocity rates, weight amounts, etc.” EX2001, ¶¶39, 41, *see also* ¶46 (encoding an exercise “regimen”). Karkanias does not teach a process for establishing a wireless communication link by encoding wireless pairing information in a barcode, as taught by Brown and Bishop. It also does not teach communicating information over such link established using the barcode, as taught by Bishop-LeBoeuf and Brown-Weiss combinations. Karkanias’s barcode is used to encode activity-related information to track user exercise regimens, not wireless pairing information.

2. Neither LeBoeuf nor Weiss is cumulative with Rao or Karkanias.

iScan2D next argues that LeBoeuf and Weiss are cumulative of both Karkanias and Rao, which was submitted in an IDS but not applied in a rejection during prosecution. DD Brief, 12-13. This is also incorrect.

iScan2D argues that both LeBoeuf and Weiss are cumulative of Rao because Rao teaches a “‘wireless enabled wrist sensor 314’ worn by the user that measures heart rate and is ‘configured to ... wirelessly ... communicate physiological information directly to one or more servers,’ in a fitness system.” DD Brief, 13 (citing EX2002, ¶61). But this is not what the claims require, nor is it cumulative

of LeBeouf or Weiss. The claims require a wearable activity device that communicates activity or biometric information to a “*mobile device*” via a wireless communications link established through a barcode scanning process.

Both LeBoeuf and Weiss teach wearable sensor devices that communicate activity and biometric data to a mobile device over a short-range wireless link, such as a Bluetooth link. *See, e.g., Pet.*, 8-14, 47-52. By contrast, Rao, according to iScan2D’s own argument, merely transmits physiological information to a *server*. DD Brief, 13. Rao does not teach a wearable device that communicates physiological information to a mobile device over a wireless communication link. Moreover, Rao’s transmission occurs via a wide area network to accommodate communication in Rao’s “geographically distributed” system. EX2002, ¶¶23, 33. This contrasts with Weiss and LeBoeuf, which teach short-range communication links, such as Bluetooth. *See, e.g., Pet.*, 8-9, 47-48. Such short-range communication links are consistent with the claims, and with Bishop and Brown, which involve establishing communication links between proximate devices through a line-of-sight camera barcode scanning process. Thus, neither LeBoeuf nor Weiss is cumulative with Rao.

Petitioner also argues that LeBoeuf and Weiss are cumulative to Karkanias because “Karkanias [] discloses the use of wearable activity monitors.” DD Brief, 13, *see also* 9. Not so. Karkanias teaches that an exercise regimen can be

wirelessly transferred to a “haptic brace” in order to “manage operation of the apparatus.” EX2001, ¶51, *see also* ¶54. But, as with Rao, the mere communication of exercise data to a haptic brace is not cumulative of the wearable device/mobile device communication frameworks taught by LeBoeuf and Weiss. iScan2D fails to show that these references teach generating biometric information using a wearable sensor device and communicating that information to a mobile device via a short-range wireless communication link. This teaching is not found in Karkanias or Rao.

3. Bishop and Ort are not cumulative with Brown.

iScan2D also argues that Petition references Bishop and Ort are cumulative with Brown. DD Brief, 11-12. Although each of these references teaches a barcode-based wireless pairing process, iScan2D’s argument misses the mark. As explained above, the Examiner admitted (in a later application) that Brown teaches the claimed barcode-pairing process. Bishop also teaches this claimed process and provides different, express motivations to support the Bishop-based combinations. The Petition combines Bishop and Brown with LeBoeuf and Weiss in a manner not previously considered by the Office. Bishop, Brown, and Ort provide teachings the Examiner admitted satisfy the claimed barcode-pairing process. LeBoeuf and Weiss provide the framework of a wearable device that communicates biometric information to a mobile device over a short-range wireless communication link.

These collective teachings, and express motivations to combine, were not presented to or considered by the Office.

4. iScan2D’s arguments directed to the dependent claims are irrelevant

iScan2D also argues that the references asserted against the dependent claims—Williams and Kovitz—“reinforce[s]” the § 325(d) analysis. DD Brief, 14. These arguments again miss the mark. Neither of these references was before the Office during prosecution. Petitioner asserts these new references in combination with Bishop-LeBoeuf and Brown-Weiss, which themselves represent new and non-cumulative art and arguments that render the independent claims obvious. Adding additional new references to these combinations for dependent claims does not change the analysis under § 325(d).

C. The Examiner materially erred by allowing the claims.

Although analysis of *Advanced Bionics* Prong 2 is not necessary where, as here, the Petition presents substantially different art and arguments as those previously considered, the Examiner nevertheless erred in allowing the ’123 patent for the reasons provided in Section II.

IV. APPLE’S U.S. PRESENCE AND COMMITMENT TO U.S. INVESTMENT SUPPORT INSTITUTION

The Director’s recent memorandum entitled “Additional Discretionary Institution Considerations – U.S. Manufacturing and Small Business Use of AIA Proceedings” (U.S. Manufacturing Memo) provides a number of factors affecting

the discretionary denial consideration, including “the extent to which any products accused of infringement in a parallel proceeding are manufactured in the United States or are related to investments in American manufacturing operations.” U.S. Manufacturing Memo, 2. The Memo considers not only final assembly, but also future U.S. manufacturing investment and the extent to which product components are made in the U.S. U.S. Manufacturing Memo, 2-3.

Apple is advancing these considerations on a historic scale. In February 2025, Apple announced its largest-ever U.S. spend commitment: more than \$500 billion over four years, since increased to more than \$600 billion. EX1035, 1-2; EX1036, 1; EX1042, 2. That commitment builds on Apple’s long history of investing in American innovation and manufacturing, and supports initiatives in AI, silicon engineering, data centers and infrastructure, and R&D. EX1035, 2-3.

A. Apple Products, including the accused products, are designed and engineered in the United States and manufactured with American components.

iScan2D alleges that camera-based pairing functionality implemented in various models of the iPhone and Apple Watch infringes the ’123 patent. EX1044, 13. These accused products are designed and engineered in the United States and incorporate Apple’s U.S.-developed technologies. Apple has committed \$2.5 billion for Corning to produce all cover glass for iPhone and Apple Watch in Kentucky. EX1036, 1-2. By the end of 2026, all iPhones and Apple Watches sold

around the world will include this American-made cover glass. EX1036, 1-2; EX1042, 3. Certain accused models also include Apple silicon manufactured at TSMC's Fab21 facility in Arizona, where Apple is the largest customer. EX1035, 5; EX1037, 5; EX1042, 4-5. Apple has also partnered with GlobalWafers America (GWA) and Texas Instruments in Sherman, Texas to use GWA's 300mm wafers to produce chips for iPhone devices sold in the U.S. and around the world. EX1042, 5.

Apple is on track to purchase well over 100 million chips from TSMC's Arizona facility in 2026. EX1035, 5; EX1037, 5. Apple will also be the largest customer of Amkor's new \$2 billion semiconductor packaging facility in Arizona, where Apple silicon from the nearby TSMC fab will be packaged. EX1038, 1-2. Apple suppliers manufacture silicon for Apple products in 24 factories across 12 states, including at U.S. companies such as Broadcom, Texas Instruments, Skyworks, and Qorvo. EX1035, 5.

Apple is also expanding domestic production of sensors, integrated circuits, magnets, and other critical components. Under Apple's American Manufacturing Program (AMP), TDK will manufacture sensors for Apple products, including the iPhone, in the United States for the first time. EX1039, 1-2. Bosch and TSMC will produce integrated circuits for sensing hardware in Washington. EX1039, 2. These sensors support the Crash Detection feature implemented in iPhone and Apple

Watch. EX1039, 2. Also through AMP, Cirrus Logic and GlobalFoundries will establish new semiconductor process technologies in New York. EX1039, 2. Apple has also committed \$500 million to buy American-made rare-earth magnets and to establish a rare-earth recycling line in California. EX1040, 1-3. These rare-earth magnets are used, for instance, to implement the iPhone and Apple Watch's "Taptic Engine." EX1040, 3. Below is a summary of example U.S. made components in the accused iPhone and Apple Watch products.

U.S.-Manufactured Component	Supplier	Evidence
iPhone and Apple Watch Cover glass	Corning	EX1036, 2.
Rare-earth magnets	MP Materials	EX1040; EX1042, 3-4
TMR sensors (camera stabilization)	TDK	EX1039, 1-2
Face ID mixed-signal chips, VCSEL lasers	Cirrus Logic + GlobalFoundries New York + Coherent	EX1039, 2; EX1042, 3-4.
5G / Wi-Fi / Bluetooth connectivity chips	Broadcom	EX1042, 5.
Silicon wafers	GlobalWafers America + TSMC Arizona + Texas Instruments	EX1042, 5.
Apple Silicon Chips	TSMC Arizona	EX1035, 5; EX1042, 4-5.
Advanced Chip Packaging	Amkor	EX1042, 5; EX1038.

B. Apple has made historic commitments to the future of domestic manufacturing and innovation.

Across its product lines, Apple increasingly relies on components that are made, packaged, or sourced domestically. Apple's investments span a U.S.-

anchored network of engineering, component production, suppliers, and advanced manufacturing. Apple is opening a new 250,000-square-foot advanced manufacturing facility in Houston, to manufacture Mac minis and AI-servers. EX1037, 1-2; EX1035, 3. Apple has also committed \$10 billion to support projects that build local businesses, train workers, and create manufacturing processes and materials for Apple products. EX1035, 4-5.

Apple is investing in the workforce and infrastructure needed to sustain those commitments. The Apple Manufacturing Academy in Michigan has supported more than 150 American businesses. EX1041, 2-4. Apple is also opening a 20,000-square foot Advanced Manufacturing Center in Texas to train students, supplier employees, and businesses. EX1037, 4. Apple supports more than 2.9 million U.S. jobs, plans to hire approximately 20,000 additional U.S. employees focused on R&D, silicon engineering, software development, and AI, and has nearly doubled its U.S.-based R&D spend over five years. EX1035, 3, 5-6.

C. The Director’s U.S. Manufacturing Memo Favors Apple.

These are precisely the “investments in American manufacturing operations” and U.S.-made components that the Director will consider under the U.S. Manufacturing Memo. U.S. Manufacturing Memo, 2-3. Apple’s historic \$600 billion commitment to U.S. manufacturing and engineering favors review. *See Tesla*, IPR2026-00204, Paper 14. iScan2D, by contrast, identifies no sales of any

product, no domestic manufacturing, and no meaningful investment in U.S.

manufacturing, suppliers, workers, or infrastructure. These factors weigh against discretionary denial.

V. THE *FINTIV* FACTORS STRONGLY FAVOR INSTITUTION

iScan2D asserted the '123 patent against Apple in *iScan2D Technologies, LLC v. Apple Inc.*, 1-25-cv-01794 (W.D. Tex.). This case was transferred to the Northern District of California (N.D. Cal.) on July 30, 2026. The new Court has not issued a case schedule or a trial date and the median time to trial in N.D. Cal. is over 30 months. The *Fintiv* factors thus weigh strongly in favor of institution.

A. Factor 1 favors review because there is evidence the district court will enter a stay if this IPR is instituted

Factor 1 weighs in favor of review. Apple intends to move to stay the litigation pending this IPR. N.D. Cal. routinely grants requests to stay pending IPR or PGR. EX1043.

B. Factor 2 strongly favors review because the district court has not issued a scheduling order or set a trial date.

Factor 2 strongly favors review. The projected deadline for issuing an FWD in this IPR is November 2027. The N.D. Cal. court has not issued a scheduling order or set a trial date, and any trial will certainly occur well after November 2027. The median time to trial in N.D. Cal. is over 30 months, which projects a trial in 2029, long after November 2027.

C. Factor 3 strongly favors review because there has been little investment in the litigation.

Factor 3 strongly favors review because the parties and the court have not made significant investment in the litigation, which is in its infancy. The case was transferred on July 30, 2026. Prior to transfer, the original court (W.D. Tex.) had issued no substantive orders, and had not set a scheduling conference or a trial date. The new court (N.D. Cal.) has likewise not issued a scheduling order or set a trial date. No discovery has taken place. Claim construction has not begun. Contentions have not been served. Investment in the case has thus far been minimal.

D. Factor 4 strongly favors review because Apple’s *Sotera* stipulation limits the potential overlap between proceedings.

Factor 4 strongly favors review because Apple filed a timely *Sotera* stipulation (Paper 6), which “mitigates any concerns of duplicative efforts between the district court and the Board, as well as concerns of potentially conflicting decisions.” *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 19 (PTAB Dec. 1, 2020) (precedential as to § II.A). Moreover, the early disposition of the litigation mitigates concerns of overlap or conflicting decisions. As explained, the FWD will issue more than a year before any potential trial, the district court is likely to grant a stay, and the case has just begun.

E. Factor 5 favors review because the Board will enter an FWD before trial in the district court.

This factor weighs in favor of review because the parties in the litigation are the same and the Board will reach its determination before the district court. *See BOE Tech. Grp. Co., Ltd. v. Optronix Scis. LLC*, IPR2024-01130, Paper 16 at 13 (PTAB Jan. 27, 2025) (noting weight of factor 5 depends on which tribunal is likely to reach a decision first); *NVIDIA Corp. v. Invensas Corp.*, IPR2020-00603, Paper 11 at 23 (PTAB Sept. 3, 2020) (factor 5 weighs against denial where Board is likely to reach a FWD first).

F. Factor 6 favors review because the Petition challenge is strong

Factor 6 favors consideration of the merits because the Petition presents strong challenges that clearly establish the claims at issue are unpatentable. Moreover, as explained, the Examiner materially erred in allowing the '123 patent.

VI. SETTLED EXPECTATIONS STRONGLY FAVOR REVIEW

iScan2D does not have settled expectations in the '123 patent, nor does it argue that it does. The '123 patent issued on May 30, 2023, less than three years before Apple filed the Petition (May 18, 2026). Thus, because this patent “ha[s] not been in force for a significant period of time,” iScan2D “has not developed strong settled expectations that favor discretionary denial as to these patents.”

Tesla, IPR2026-00204, Paper 14 at 4.

“Early challenges to patents favor robust, predictable patent rights and weigh

against discretionary denial.” *Straumann USA, LLC v. Smart Denture Conversions, LLC*, IPR2025-00956, Paper 11 at 2 (PTAB Sept. 19, 2025). Challenges to patents that have been in force for less than six years are considered “[e]arly challenges” because patent owners typically have not developed settled expectations within this timeframe. *See, e.g., OnePlus Tech. (Shenzhen) Co. v. Pantech Corp.*, IPR2025-00756, Paper 11 at 2 (PTAB Oct. 3, 2025); *Cambridge Indus. USA, Inc. v. Applied Optoelectronics, Inc.*, IPR2025-00433, Paper 12 at 2 (PTAB June 27, 2025); *Embodiment, Inc. v. LifeNet Health*, IPR2025-00248, Paper 13 at 3 (Director June 26, 2025). Apple’s early challenge favors consideration of the merits by the Director.

Moreover, iScan2D has not provided any evidence of commercialization, marking, or licensing of the ’123 patent, nor has it previously asserted the patent. iScan2D does not allege Apple had knowledge of the ’123 patent prior to the filing of the complaint, nor does it allege willful infringement. EX1044, 13, 15, 17. This is also the first post-grant challenge to the ’123 patent. These factors “weigh against” iScan2D’s settled expectations and “weigh in favor” of Apple’s. *Home Depot U.S.A., Inc. v. H2 Intellect LLC*, IPR2025-00480, Paper 11 at 2-3 (PTAB Sept. 4, 2025) (informative); *see also Shenzhen Tuozhu Tech. Co., Ltd. v. Stratasys, Inc.*, IPR2025-00438, Paper 10 (Director July 17, 2025); *Intel Corp. v. Proxense LLC*, IPR2025-00327, Paper 12 at 2-3.

Respectfully submitted,

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CERTIFICATE OF SERVICE (37 C.F.R. §§ 42.6(e)), 42.105(a))

I certify that the above-captioned **PETITIONER'S OPPOSITION TO
PATENT OWNER'S DISCRETIONARY DENIAL BRIEF** and associated
Exhibits 1035-1044 were served in their entireties upon the Patent Owner on
August 26, 2026, via electronic mail:

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