

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION**

IN RE: MIDWEST ENERGY EMISSIONS
CORP. PATENT LITIGATION

MDL Case No. 4:24-md-03132-SHL-WPK

**PLAINTIFF ME2C'S RESPONSE TO DEFENDANTS'
MOTION TO STAY PENDING *INTER PARTES* REVIEW**

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I. INTRODUCTION

Defendants PacifiCorp, MidAmerican Energy Company, Wisconsin Power & Light Company, and Interstate Power & Light Company (collectively, “Defendants”) filed the instant motion seeking to stay this case pending *inter partes* review (“IPR”). A stay is inappropriate in light of each and every factor the Court must consider.

First, the cases underlying this multidistrict litigation (“MDL”) have been on file for 10 months, during which time the parties and the Court have devoted significant resources to this case, including briefing and deciding multiple rounds of motions to dismiss, briefing and deciding MDL consolidation, briefing multiple motions to compel, briefing ME2C’s motion for preliminary injunction, producing hundreds of thousands of documents, conducting written discovery on key issues in the case, and exchanging patent-related contentions. The Court has set a trial-ready date.

Second, none of Defendants’ petitions have been instituted by the Patent Trial and Appeal Board (the “PTAB”). In many courts, this fact alone is dispositive, even without considering the recent developments at the Patent Office that have reduced the PTAB’s IPR institution rate threefold. And Defendants are aware that they are seeking relief contrary to the weight of authority. In the parties’ joint proposed MDL case management order, they indicated that they would not even try to obtain a stay unless they obtained favorable institution decisions: “Defendants intend to move to stay the litigation *if the Patent Trial and Appeals Board institutes review* to allow the Patent Trial and Appeals Board to weigh in on the validity of the asserted patents.” ECF No. 56 at 10 (Feb. 25, 2025) (emphasis added). Defendants offer no explanation for this reversal of their position, nor for the two-month delay between their prior statement and the current motion.

Third, ME2C’s continued loss of market share and goodwill, the looming expiration of ME2C’s patents, and Defendants’ continued dilatory motions practice all indicate that ME2C would be unduly prejudiced and subject to tactical disadvantage if a stay is granted.

Accordingly, ME2C respectfully requests that the Court deny Defendants’ motion.

II. LEGAL STANDARD

“[T]he power to stay proceedings is incidental to the power inherent in every court to control the disposition of the causes on its docket with economy of time and effort for itself, for counsel, and for litigants.” *Landis v. N. Am. Co.*, 299 U.S. 248, 254 (1936). “How this can best be done calls for the exercise of judgment, which must weigh competing interests and maintain an even balance.” *Id.* at 254–55. In deciding whether to grant a stay, courts in this district consider: (1) the stage of the case; (2) whether a stay will simplify the issues in question and trial of the case; and (3) whether a stay would unduly prejudice or present a clear tactical disadvantage to the non-moving party. *G.W. Lisk Co. v. Power Packer N. Am.*, 591 F. Supp. 3d 391, 395 (S.D. Iowa 2022) (citing *Murata Mach. USA v. Daifuku Co.*, 830 F.3d 1357, 1361 (Fed. Cir. 2016). “The proponent of a stay bears the burden of establishing its need,” *Clinton v. Jones*, 520 U.S. 681, 708 (1997), and Defendants cannot show that any of these factors supports a stay.

III. ARGUMENT

A. The Stage of the Case Weighs Against a Stay in Light of the Substantial Resources Already Invested by the Parties and the Court.

This case has progressed well past its infancy, and the parties and the Court have invested significant time and resources such that a stay would be inappropriate. “In assessing the status of the litigation, the court considers, among other things, whether discovery is complete and whether a trial date has been set.” *G.W. Lisk*, 591 F. Supp. 3d at 397 (quoting *LG Elecs., Inc. v. Toshiba Samsung Storage Tech. Korea Corp.*, C.A. No. 12-1063-LPS-CBJ, 2015 WL 8674901,

at *4 (D. Del. Dec. 11, 2015)). “When a request to stay a case comes . . . after the Court and the parties have expended significant effort on the litigation, the principle of maximizing the use of judicial and litigant resources may be best served by seeing the case through to its conclusion.” *Id.* (internal quotation and citation omitted).

Here, the parties extensively briefed a number of complex issues related to motions to dismiss, transfer, and sever, which the Court ruled on following a lengthy hearing with all counsel present. ECF No. 19; No. 4:24-cv-00243, ECF Nos. 79, 84, 87–92, 95, 96–103, 106–113. Moreover, the parties briefed and were heard on MDL consolidation, which the Judicial Panel on Multidistrict Litigation granted. *See* No. 4:24-cv-00243, ECF Nos. 69, 119. ME2C has also moved for a preliminary injunction, which, except for a forthcoming sur-reply (on a narrow issue that the Court is familiar with through discovery motion briefing), is itself fully briefed. *See* No. 4:24-cv-00243, ECF Nos. 58, 124, 126, 128, 129, 131–135. Additionally, ME2C has moved now twice to dismiss and strike various Defendants’ counterclaims and answers; the motion with respect to Defendants’ amended answers and counterclaims is also fully briefed. ECF Nos. 57, 108, 120, 124–126. Accordingly, this case “is far from its procedural infancy and thus, . . . this factor weighs in favor of denying a stay.” *See Buergofol GmbH v. Omega Liner Co.*, No. 4:22-CV-04112-KES, 2024 WL 2805362, at *4 (D.S.D. May 31, 2024) (“Although . . . discovery is in its early stages, . . . the court has exerted considerable effort to rule on numerous motions, [held] a day-long motions hearing, and become familiar with the parties, the patents at issue, and the relevant prior art.”); *Nuhn Industries Ltd v. Bazooka Farmstar LLC*, 3-22-cv-00015-SMR-HCA (S.D. Iowa Apr. 17, 2024), ECF No. 169 at 3 (denying motion to stay and noting that the “Court does not agree that the parties have not invested significant time or

resources in this litigation” where “the parties have briefed several substantive motions,” including multiple Rule 12 motions, even though no trial date was set).

Even ignoring these efforts, this case is not “in its infancy,” as Defendants contend. *See* ECF No. 117-1 at 6. The cases underlying this multidistrict litigation have been on file for 10 months, and the Court has entered a Case Management Order setting a trial-ready date of October 12, 2026. ECF No. 60 at 3.¹ The parties have engaged in substantial discovery, starting early in the case in connection with ME2C’s motion for preliminary injunction. To date, Defendants have deposed ME2C’s Chief Operating Officer, the parties have produced nearly 160,000 pages of documents, and all Defendants have responded to interrogatories concerning the key infringement, damages, and willfulness issues in this case. Furthermore, ME2C served its infringement contentions in March, and Defendants’ invalidity contentions are due to be served before briefing closes on the present motion. ECF No. 60 at 2. These are precisely the circumstances that have led courts to reject a movant’s characterization that a case is in early stages.² *See, e.g., N. A. Imports, LLC v. LoCo-Crazy Good Cookers, Inc.*, No. CV 23-999-GBW-SRF, 2024 WL 4827250, at *3 (D. Del. Nov. 19, 2024) (finding the case “no longer in its earliest

¹ At that time, non-Iowa Defendants may choose to remain in Iowa or be transferred to various other district courts for trial in those districts. The statutory deadline for a final written decision for the earliest filed petitions would be September 7, 2026, if instituted. Defendants’ other petitions were filed later in time, and the statutory deadlines for most of the patents-in-suit will be very near or after this Court’s trial-ready date.

² Additionally, the key case deadlines over the next four months (until the PTAB’s first institution decision) are all claim construction deadlines. “Staying the case now will [] not meaningfully preserve resources on claim construction”; in particular, “the court’s resolution of the parties’ claim construction dispute will not be cumulative of the PTAB’s efforts because Defendant[s] raised no claim construction issues in [their] IPR petition[s].” *North American Imports*, 2024 WL 4827250, at *3. Specifically, apart from a single clarifying interpretation in connection with the ’225 Patent that ME2C itself adopted in the Delaware case, Defendants petitions state: “Petitioners do not, at this time, contend that any term requires construction. All terms have been accorded their plain and ordinary meaning.” *E.g., Ex. 1, Petition for Inter Partes Review, Berkshire Hathaway Energy Co. v. Birchtech Corp.*, IPR2025-00274, Paper 1 at 10 (Jan. 17, 2025).

stages” when the court had entered a scheduling order, set a trial date, and the parties exchanged contentions and some fact discovery and completed two depositions); *AR Design Innovations LLC v. Ashley Furniture Indus., Inc.*, No. 4:20-CV-392-SDJ, 2021 WL 6496714, at *2–3 (E.D. Tex. Jan. 11, 2021) (finding the stage of the case factor neutral where, by the time briefing was completed, the Court had issued a scheduling order setting a claim construction hearing and a final pretrial conference (but not a trial date), and where infringement contentions had been served); *Dane Techs., Inc. v. Gatekeeper Sys., Inc.*, No. 12-2730 ADM/AJB, 2013 WL 4483355, at *3 (D. Minn. Aug. 20, 2013) (finding the stage of the litigation factor neutral and that the litigation was “well underway,” even though discovery was “not far advanced,” where the court had issued scheduling orders and set a trial date).³

Accordingly, the stage of the case factor weighs against the grant of a stay, or at the very least, is neutral, “especially in this unique MDL context.” *See In re Neo Wireless, LLC Pat. Litig.*, No. 2:22-MD-03034-TGB, 2024 WL 688170, at *2–3 (E.D. Mich. Feb. 20, 2024) (agreeing with Plaintiff’s position that “that the stage of [the] case represent[ed] over a year of complex, time-intensive work to consolidate nine cases into one MDL,” further noting “the successful settlement of [plaintiff’s] claims” as to two defendants).⁴

³ Likewise, even in *Guntert*, the case cited *passim* in Defendants’ opening brief, the Court found that the stage of the case factor was neutral where “the parties [] exchanged some written discovery, produced thousands of pages of documents, litigated a preliminary injunction and conducted limited depositions in connection therewith, and completed the claim-construction briefing.” *Guntert & Zimmerman Constr. Div., Inc. v. Gomaco Corp.*, No. 20-CV-4007-CJW-KEM, 2021 WL 7185089, at *3 (N.D. Iowa Jan. 13, 2021).

⁴ Similarly, ME2C has successfully settled its claims against all six Arizona defendants. *See* ECF Nos. 24, 25; No. 3:24-cv-08145-DJH (D. Ariz.), ECF Nos. 41, 42.

B. Staying the Case Would Not Result in Simplification.**1. The Pre-Institution Posture Weighs Strongly Against a Stay and Should Be Dispositive.**

Defendants' arguments as to simplification rely entirely on the PTAB instituting their IPR petitions and ultimately invalidating all of the asserted claims. But "if the PTAB denies institution of the IPRs, there will be no simplification of the case before the Court at all." *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). Similarly, if the Court institutes only some IPRs or institutes IPRs, but does not invalidate all of the asserted claims, the end result would be prolonged delay without simplification. And at this stage, the Court "must presume" that the patents-in-suit are valid. *See Cisco Sys., Inc. v. Ramot at Tel Aviv Univ., Ltd.*, No. CV 21-1365-GBW, 2023 WL 315615, at *2 (D. Del. Jan. 19, 2023) (citing 35 U.S.C. § 282(a)) (denying stay even post-institution and noting that patents are presumed valid).

Accordingly, courts in this district, this circuit, and across the country deny motions to stay where the PTAB has not yet instituted IPR—a fact that is dispositive in a majority of courts. *See Multiquip Inc. v. ANA, Inc.*, No. 3:22-cv-02599-M (N.D. Tex. Feb. 28, 2024), ECF No. 60 at 2 ("The fact that the PTAB has yet to act on Defendant's petition is dispositive."); *Camelbak Prods., LLC v. Zak Designs, Inc.*, No. 5:21-CV-05109, 2022 WL 2348676, at *2 (W.D. Ark. June 29, 2022) (denying stay and noting that "the PTO has not decided whether either of Zak's challenges have sufficient merit to proceed, making any potential simplification of this case more speculative"); *Samsung Elecs. Co., Ltd. v. Blaze Mobile, Inc.*, No. 5:21-CV-02989-EJD, 2022 WL 103552, at *4 (N.D. Cal. Jan. 11, 2022) (collecting cases) (denying stay and noting that "the majority of courts . . . have denied stay requests when the PTAB has not yet acted on the IPR petition for review") (cleaned up); *Ellenby Techs., Inc. v. Fireking Sec. Grp.*, 533 F. Supp. 3d

656, 664–65 (N.D. Ill. 2021) (collecting cases) (“[T]he weight of authority favors denying [motions for pre-institution stays] without prejudice during the time frame before the PTAB’s decision on IPR.”); *Nat’l Prods. Inc. v. Gamber-Johnson LLC*, No. 20-CV-1108-WMC, 2021 WL 4168335, at *1 (W.D. Wis. Aug. 4, 2021) (“With more experience with the PTAB process . . . this court has since concluded a stay based solely on the filing of an IPR petition is generally premature at best.”); *Scorpcast, LLC v. Boutique Media Pty Ltd.*, No. 2:20-CV-00193-JRG-RSP, 2020 WL 7631162, at *3 (E.D. Tex. Dec. 22, 2020) (“The universal practice in this District, as well as the practice of most district courts, is to deny a motion for stay when the Board has not yet acted on a petition for IPR.”) (cleaned up); *Wonderland Switzerland AG v. Britax Child Safety, Inc.*, No. 0:19-CV-02475-JMC, 2020 WL 7075122, at *3 (D.S.C. Dec. 2, 2020) (“This court finds the majority approach denying motions to stay without prejudice before the PTAB has granted IPR persuasive.”); *KFx Med., LLC v. Stryker Corp.*, No. 18-CV-01799-H-WVG, 2019 WL 2008998, at *2 (S.D. Cal. May 7, 2019) (agreeing with “the majority of district courts” and holding that “a stay of the action [was] not appropriate” where the “PTAB [had] not yet acted on the petitions for review”); *G.W. Lisk, Co. v. GITS Mfg. Co.*, No. 4:17-CV-00273-SMR-CFB, 2018 WL 8786387, at *3 (S.D. Iowa Jan. 4, 2018). Therefore, “[b]ecause it is uncertain whether the PTO will grant review, **this factor strongly weighs in favor of denying the motion to stay.**” *G.W. Lisk*, 2018 WL 8786387, at *3 (emphasis added).⁵

⁵ Defendants place much stock in generic statistics regarding the PTAB’s rate of granting institution. However, in resolving to deny pre-institution stay requests as premature, the above-cited courts evaluated the exact same statistics and chose to discount them. *See, e.g., AR Design Innovations*, 2021 WL 6496714, at *3 n.6 (“[I]t is too speculative to assume that the PTAB will institute IPR proceedings or invalidate claims based on statistics of institution and invalidation rates.”); *Cocona, Inc. v. VF Outdoor, LLC*, No. 16-CV-02703-CMA-MLC, 2018 WL 10910847, at *5 (D. Colo. Mar. 19, 2018) (“Based on the PTAB’s statistics as of a year ago, VF’s petition is statistically more likely than not to be accepted. But those chances are not so strong as to weigh

2. The Patent Office's Recent Guidance on Discretionary Denials of Institution Renders Simplification Even More Speculative.

Notably, the above state of the law does not even account for the PTAB's recent guidance on discretionary institution decisions. No party has a right to *Inter Partes* Review of a patent. Rather, the PTO may allow review as a way to streamline invalidity disputes. *See Harmonic Inc. v. Avid Tech., Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016) (“[T]he PTO is permitted, but never compelled, to institute an IPR proceeding.”). The PTO has recently clarified that the IPR process may not be appropriate when the same parties are involved in parallel district court litigation (which can resolve more disputes than just anticipation and obviousness issues), or where the patents at issue have already been challenged in court or before the PTO. This revised guidance indicates that the PTO is unlikely to institute Defendants' petitions in this case.

The PTAB's decision in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”), identifies a nonexclusive list of factors the PTAB considers when addressing whether to institute an IPR where there is parallel district court litigation.⁶ On June 21, 2022, former Director of the Patent Office Katherine Vidal issued a memorandum narrowing the PTAB's application of *Fintiv* (the “2022 *Fintiv* Memo”), notably stating that “the PTAB will not discretionarily deny institution in view of parallel district court litigation where [among other things] a petitioner presents a stipulation not to pursue in a parallel proceeding the in favor of a pre-institution stay.”). And even then, Defendants' statistics paint a misleading picture because they fail to account for the PTAB's substantially increased discretionary denial practice, as discussed below.

⁶ These factors include: (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; and (6) other circumstances that impact the Board's exercise of discretion, including the merits. *Fintiv*, IPR2020-00019, Paper 11.

same grounds or any grounds that could have reasonably been raised before the PTAB” (*i.e.*, a *Sotera* stipulation).⁷

On February 28, 2025, the Patent Office rescinded the 2022 *Fintiv* Memo.⁸ Subsequently, on March 24, the PTAB’s Chief Administrative Patent Judge issued a Guidance on the PTAB’s exercise of discretionary denials of IPR proceedings in light of the USPTO’s decision to rescind the Memo, stating in relevant part that the PTAB would consider discretionary denial even when a petition presents compelling evidence of unpatentability and that a *Sotera* stipulation is no longer dispositive in the PTAB’s decision to institute.⁹ Then, on March 26, 2025, the acting Director of the Patent Office issued a memorandum that introduced (1) a new briefing procedure for discretionary denials wherein the Director will consult with at least three PTAB judges to determine whether discretionary denial of institution is appropriate, (2) a new bifurcated approach to institution decisions (with discretionary denial briefs filed separately from merits-related responses), and (3) a set of factors for the PTAB to consider *in addition* to *Fintiv*.¹⁰ The memorandum states that “[t]he Director will also consider the ability of

⁷ U.S. Patent and Trademark Office, *Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation* (June 21, 2022), https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621.pdf.

⁸ U.S. Patent and Trademark Office, *USPTO rescinds memorandum addressing discretionary denial procedures* (Feb. 28, 2025), <https://www.uspto.gov/about-us/news-updates/uspto-rescinds-memorandum-addressing-discretionary-denial-procedures>.

⁹ U.S. Patent and Trademark Office, *Guidance memorandum on USPTO’s rescission of “Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation* (Mar. 24, 2025), https://www.uspto.gov/sites/default/files/documents/guidance_memo_on_interim_procedure_rescission_20250324.pdf.

¹⁰ U.S. Patent and Trademark Office, *Interim Processes for PTAB Workload Management* (Mar. 26, 2025), <https://www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf>.

the PTAB to comply with . . . other workload needs,” and that the processes described in the memorandum are “due, in part, to the current workload needs of the PTAB.”¹¹ Notably, just a few days before these memoranda were issued, the Patent Office sent an email that announced upcoming PTAB layoffs to occur sometime after April 17, 2025, and encouraged PTAB judges to accept separation incentive programs and early retirement.¹²

These changes have led commentators to predict a steep increase in discretionary denials at the PTAB:

The bifurcated institution system and return to a broad application of the *Fintiv* factors may increase the frequency of discretionary denials in IPR proceedings. When former Director Vidal first issued the Interim Procedures, procedural denials at the PTAB decreased by over 61%, year-over-year due to the limitations it imposed on the application of *Fintiv*. Now, that number is likely to rise again as patent owners have more leeway in discretionary arguments and second briefing opportunity to prevent institution of proceedings. Moreover, the March 26 Memorandum states that these changes are geared toward managing the PTAB’s capacity to conduct AIA proceedings. With an additional briefing stage to work through, ***the PTAB will likely be inclined to deny more petitions*** at the discretion stage to achieve its stated goal of increased efficiency.

Baker Botts, LLP, *Impact of New USPTO Interim Procedures on Discretionary Denial of AIA Proceedings* (May 2025) (emphasis added) (internal endnotes omitted).¹³

They were right. As Defendants identified, the Patent Office reported that in 2024, 740 of 1,087 total petitions were granted for a 68% institution rate. ECF No. 117-2 at 7. Since the Patent Office issued its updated guidance in late March 2025, the PTAB has instituted just 53 of 139 total petitions for a 38.1% institution rate. Ex. 3, (Docket Navigator, Motion Success: PTAB

¹¹ *Id.* at 3.

¹² Theresa Schliep, *PTAB Judges Told To Get Ready For Layoffs*, LAW 360 (Mar. 21, 2025), <https://www.law360.com/articles/2314328/ptab-judges-told-to-get-ready-for-layoffs->.

¹³ Available at: <https://www.bakerbotts.com/thought-leadership/publications/2025/may/impact-of-new-uspto-interim-procedures-on-discretionary-denial-of-aia-proceedings>.

Institution of Inter Partes Review (IPR), on or after Mar. 27, 2025). But when applying relevant narrowing to identify cases discussing discretionary denials, the results are even more stark. In 2024, Docket Navigator reports that 237 of 298 total petitions were granted for an institution rate of 79.5%, in cases where the institution decision used the term “*Fintiv*.” Ex. 4, (Docket Navigator, Motion Success: PTAB Institution of Inter Partes Review (IPR), Document Text: *Fintiv*). Using the same criteria for March 27, 2025, to the present, Docket Navigator reports that just 19 of a total 62 petitions were granted institution for an institution rate of only 30.6%. Ex. 5 (Docket Navigator, Motion Success: PTAB Institution of Inter Partes Review (IPR), on or after Mar. 27, 2025, Document Text: *Fintiv*).

In conclusion, since the Patent Office’s rescission of the 2022 *Fintiv* Memo and issuance of subsequent guidance, the PTAB has been almost **three times less likely to institute an IPR** than it was in 2024 with respect to cases where *Fintiv* is discussed. Furthermore, given the briefing schedule, the Director has yet to roll out any decisions on discretionary institution herself, meaning that the already-plummeting institution rate could turn into even more of a freefall as the procedure is implemented and the PTAB’s workforce further thins out.

Beyond the general statistics discussed above, the facts of this particular case also render institution more speculative. ME2C has filed requests for discretionary denial as to four of the petitions pursuant to the Director’s March 26 guidance, under the bifurcated structure contemplated therein, *see, e.g.*, Ex. 2, and ME2C anticipates filing a discretionary denial brief for each of Defendants’ remaining petitions when they are due. As more fully articulated in ME2C’s briefs filed with the PTAB, *see, e.g.*, Ex. 2, discretionary denial is appropriate for at least the following reasons:

- (1) Defendants' invalidity challenges are particularly weak as they rely on theories that previously failed before the PTAB and/or at the trial in Delaware (March 26 Guidance, Additional Factors 1 and 3);¹⁴
- (2) The petitions are likely to be time-barred under 35 U.S.C. § 315(b) because Defendants were privies of various petitioners in the 2020 IPRs, and/or the new petitions were submitted in violation of 35 U.S.C. § 312(a)(2) for failing to disclose those privies (March 26 Guidance, Additional Factors 1 and 3);
- (3) The parties' settled expectations favor discretionary denial because the asserted patents were found to be valid in a judgment as a matter of law following several years of litigation, and the asserted patents will all expire by April 2026 (March 26 Guidance, Additional Factor 5);
- (4) The proximity of a trial date to the PTAB's statutory deadlines for final written decisions weighs in favor of discretionary denial because the statutory deadlines for the first few petitions are roughly one month before the Court's trial-ready date, and the statutory deadlines for most of the patents-in-suit will be very near or after the Court's trial-ready date (*Fintiv* Factor 2);
- (5) As discussed above in connection with the stage of the case factor, the parties and the Court have invested substantial resources in this MDL proceeding (*Fintiv* Factor 3); and
- (6) "[N]ot all Defendants in the MDL proceeding have joined the [IPR] petition. This presents the worst-case scenario where the [PTAB's] work would be duplicative of the parallel MDL proceeding, and it may be further wasteful because the non-Petitioner Defendants may argue that they are not bound by statutory estoppel or a *Sotera* stipulation"—a key component of Defendants' simplification argument. *See* Ex. 2 at 15–16 (*Fintiv* Factor 5).

Accordingly, Defendants' assertions of simplification are highly speculative such that this factor weighs against granting a stay.

¹⁴ The weakness of Defendants' IPR petitions also renders speculative both the institution and the ultimate success of the IPRs. The deficiencies in Defendants' invalidity positions are explained more fully in ME2C's reply in support of its motion for preliminary injunction and request for discretionary denial. *See* No. 4:24-cv-00243, ECF No. 138 at 2–8 ("Defendants are asserting the same invalidity theories that failed in Delaware The problem with these theories has always been that the inventors of the '517 patent simply invented this method first."); Ex. 2 at 5–7 (explaining that the PTAB already rejected many of Defendants' same or redundant invalidity theories, and that Defendants' priority date theory and the PTAB's relevant prior institution decision depend on a patently erroneous application of law).

3. This Factor Would Not Favor a Stay Even if the PTAB Instituted the IPRs.

Even assuming the PTAB institutes IPR for all of the patents-in-suit—an outcome that is exceedingly unlikely—the simplification factor weighs against a stay. As discussed above, Defendants’ arguments rely on the probability that its IPR petitions will be instituted. But even the fact that institution is granted does not guarantee simplification.¹⁵ See *Apple Inc. v. Vidal*, 63 F.4th 1, 8 (Fed. Cir. 2023) (“Congress enacted no provision for this scenario that directs the court to stay its case in light of a pending request for IPR or an instituted IPR.”). Accordingly, “[i]nstitution alone is not enough,” *Ravgen, Inc. v. Lab. Corp. of Am. Holdings*, No. W-20-CV-00969-ADA, 2022 WL 4240937, at *4 (W.D. Tex. Aug. 16, 2022), and courts routinely deny motions to stay even where IPR is instituted, cf. *In re Sand Revolution LLC*, 823 F. App’x 983, 984 (Fed. Cir. 2020) (denying mandamus where district court denied stay of litigation pending an instituted IPR).

For example, the court in *CAO Lighting, Inc. v. General Electric Co.* denied a motion to stay even where the PTAB instituted IPR proceedings on every asserted claim. See No. CV 20-681-GBW, 2022 WL 17752270, at *2 (D. Del. Dec. 19, 2022). The court conceded that “the PTAB’s review could simplify [the] action by either invalidating some or all of the asserted claims or clarify or narrow the issues to be litigated.” *Id.* But as is the case here, “the issues before the PTAB [were] not the only defenses asserted by Defendants,” so the court found that the simplification factor was neutral and denied the motion to stay. See *id.* (“Were the [IPR] to fail (which [Plaintiff] contends it will), Defendants still maintain a variety of other defenses to the claims of infringement . . . including (1) several additional prior art references forming the

¹⁵ This is especially true where, as discussed, Defendants’ asserted grounds in its petitions are weak and unlikely to result in any claims being held invalid.

basis of dozens of other 103 combinations; (2) several Section 112 defenses; (3) inequitable conduct; and (4) equitable estoppel. None of these other defenses are part of the [IPR] or will ever be considered by the PTAB.”).

Here, the invalidity grounds Defendants have asserted at the PTAB are merely a drop in the ocean of defenses asserted in the MDL, which Defendants have refused to narrow thus far. For one, IPR challenges are limited to grounds predicated on prior art consisting of patents or publications under 35 U.S.C. §§ 102 and 103. 35 U.S.C. § 311(b); *see also* 35 U.S.C. § 315(e)(2) (limiting any estoppel effect to “any ground that the petitioner raised or reasonably could have raised during that inter partes review.”). As such, Defendants’ invalidity challenges under § 101 (patentable subject matter), § 112 (indefiniteness and enablement), and any anticipation or obviousness grounds based on system art¹⁶ or the on-sale bar would be completely unaffected and unaddressed by the PTAB. *See* ECF Nos. 81, 84–86 (raising §§ 101, 102, 103, and 112 in defenses and counterclaims); *see also* No. 4:24-cv-00243, ECF No. 124 at 12 (Defendants’ response to ME2C’s preliminary injunction motion raising invalidity based on the on-sale bar under § 102(a)). Thus, Defendants are blatantly wrong that “[t]hrough [their *Sotera* stipulations], the IPR proceedings would be a true alternative to the District Court proceedings.” *See* ECF No. 117-1 at 9–10. In fact, even as to those grounds asserted by Defendants in their petitions, none of Ameren Corp., Union Electric Co., Evergy Metro, Inc., Evergy Missouri West, Inc., and Evergy Kansas Central, Inc. (collectively, “non-Petitioner

¹⁶ ME2C acknowledges that Defendants’ *Sotera* stipulations claim to “go[] beyond *Sotera*,” stating that “if the PTAB institutes an *inter partes* review on a particular petition, then Petitioners . . . will not use the specific references appearing in the grounds [asserted in their IPR petitions] in any obviousness combination, including in combination with system art.” ECF No. 117-3 at 3; ECF No. 117-4 at 3; ECF No. 117-5 at 3. In this case, Defendants’ promise appears to be an empty one; ME2C is unaware of—and Defendants do not identify—any particular obviousness combination this might apply to.

Defendants”) have joined in the IPR petitions. Thus, these non-Petitioner Defendants may argue that they are not bound by statutory estoppel or a *Sotera* stipulation, leaving open the possibility for duplicative and wasteful parallel proceedings.¹⁷

Moving beyond invalidity, Defendants have asserted a number of patent unenforceability, non-infringement, and equitable defenses and counterclaims that would also not be addressed by the PTAB, including license, waiver, equitable estoppel, acquiescence, “and/or other equitable principles,” patent exhaustion, unclean hands, inequitable conduct, and patent misuse. *See* ECF Nos. 81, 84–86. Because “[n]one of these other defenses are part of the [] IPR or will ever be considered by the PTAB,” the simplification factor weighs against a stay even in the unlikely event that the PTAB ultimately institutes IPR on some or all of Defendants’ petitions. *See CAO Lighting*, 2022 WL 17752270, at *2; *North American Imports*, 2024 WL 4827250, at *3 (“[T]he PTAB’s final written decision may resolve portions of Defendant’s anticipation and/or obviousness counterclaims and defenses while leaving other invalidity and equitable defenses intact. Because the PTAB’s final written decision may simplify some portion of the issues for

¹⁷ Notably, the enforcement of a *Sotera* stipulation only complicates—not simplifies—the issues in district court. Even in cases where the PTAB relies on a *Sotera* stipulation to institute review, the Patent Office has taken the position that it is not required to terminate proceedings if a *Sotera* stipulation is violated (and that such a decision is immune from appellate review). Corrected Brief for Intervenor–Acting Director of the United States Patent and Trademark Office, *Hafeman v. Brent*, Case No. 24-1600 (Fed. Cir. Dec. 30, 2024), ECF No. 35 at 14. Instead, according to the Patent Office, district courts—not the PTAB—must address “any dispute regarding the scope or alleged violations of stipulations,” adding *more* issues to this case. *Id.* at 11; *see also id.* at 16 (“Because the *Sotera* stipulation governs LG’s conduct before the district court, the Board had no obligation to provide the additional relief Hafeman sought, which would have excluded consideration of key prior art teachings in both fora.”). Because there is no recourse at the PTAB for violation of a *Sotera* stipulation, there is little streamlining and simplification to be expected from the entry of such a stipulation—especially when its enforcement becomes an additional issue to burden the district court proceedings.

trial, but would not simplify the majority of the case, this factor weighs against granting a stay.”) (cleaned up).

Accordingly, the simplification of the case factor weighs heavily against a stay.

C. Staying the Case Would Cause Undue Prejudice and Create a Clear Tactical Disadvantage Against ME2C.

There can be no question the final factor weighs in favor of denying a stay. The Court has an obligation under Federal Rule of Civil Procedure 1 “to secure the just, speedy, and inexpensive determination of every action and proceeding,” and “courts have recognized that ‘delay inherently harms a non-moving party by prolonging resolution of the dispute, even if the party is not currently a direct competitor.’” *CAO Lighting*, 2022 WL 17752270, at *3 (quoting *RideShare Displays, Inc. v. Lyft, Inc.*, C.A. No. 20-1629-RGA-JLH, 2021 WL 7286931, at *2 (D. Del. Dec. 17, 2021)). As explained by a court in this district:

This is especially true when it is uncertain whether the PTO will grant *inter partes* review. This is because the parties and the Court would be required to wait in a kind of limbo for three months while the PTO made its decision. If the PTO chooses not to proceed, then this action will have been left languishing on the Court’s docket with no discovery, no positioning of the parties on claim construction, and no dispositive motions. Put simply, the parties will be no closer to trial in a type of case that requires early substantive disclosure in order to efficiently manage discovery and pretrial motion practice.

G.W. Lisk, 2018 WL 8786387, at *3 (cleaned up) (citations omitted).

In addition, when evaluating this factor “courts consider whether the parties are direct competitors, whether the non-moving party seeks solely monetary damages or instead seeks injunctive relief, and whether the moving party possessed a ‘dilatatory motive’ or is otherwise attempting to gain an unfair tactical advantage.” *Camelbak*, 2022 WL 2348676, at *3 (quoting *Masa LLC v. Apple Inc.*, 2016 WL 2622395, at *3 (E.D. Mo. May 9, 2016)). As explained more fully in ME2C’s preliminary injunction briefing, ME2C is a small company that directly

competes with Defendants' suppliers of fuel and flue gas additives. Accordingly, "there is a reasonable chance that delay in adjudicating the alleged infringement will have outsized consequences to [ME2C], including the potential for loss of market share and an erosion of goodwill." See *North Atlantic Imports*, 2024 WL 4827250, at *4; see also *Provisur Techs., Inc. v. Weber, Inc.*, No. 20-CV-6069-SRB, 2020 WL 7346698, at *3 (W.D. Mo. Oct. 21, 2020) ("Taking Provisur's assertions as true, its potential loss of goodwill, market share, and future revenue is both significant and difficult to quantify."); cf. *i4i Ltd. P'ship v. Microsoft Corp.*, 598 F.3d 831, 862 (Fed. Cir. 2010), *aff'd*, 564 U.S. 91 (2011) ("In this case, a small company was practicing its patent, only to suffer a loss of market share, brand recognition, and customer goodwill as the result of the defendant's infringing acts. Such losses may frequently defy attempts at valuation, particularly when the infringing acts significantly change the relevant market, as occurred here."). ME2C "thus has a present and actual need for the expeditious resolution of this action," and this factor weighs in favor of denying the stay. See *Provisur Techs.*, 2020 WL 7346698, at *3.

Second, a stay is inappropriate in light of short remaining life the asserted patents. "Placing an asserted patent in limbo for the majority of its remaining life would create a clear tactical disadvantage for plaintiffs." *Carl Zeiss A.G. v. Nikon Corp.*, No. 2:17-CV-07083-RGK-MRW, 2018 WL 5081479, at *4 (C.D. Cal. Oct. 16, 2018) (cleaned up) (quotation omitted); see also *Datanet LLC v. Dropbox Inc.*, No. 6:22-CV-01142-OLG-DTG, 2023 WL 9005604, at *2 (W.D. Tex. Dec. 28, 2023) (citing *Carl Zeiss* and finding undue prejudice where "two of the three asserted patents [would] expire during or shortly after the IPR proceedings—if any are instituted—and any subsequent appeals of the PTAB decisions"). As Defendants acknowledge, five of the six assert patents will expire in August 2025, and the '370 patent will expire in April

2026, before any final written decision of the IPRs or appeals thereof. *See* ECF No. 117-1 at 11. Accordingly, a stay would create a tactical disadvantage to ME2C.

Third, Defendants dragged their feet in filing their petitions and the present motion. “Several courts, including those in the Eighth Circuit, have weighed this factor against granting a stay where the moving party failed to file its petitions for review in a timely manner.” *Buergofol*, 2024 WL 2805362, at *4 (collecting cases); *see Dane Techs.*, 2013 WL 4483355, at *2 (weighing this factor against a stay because the movant waited seven months after having been served the complaint to file its IPR petitions). Here, Defendants waited a full six months after being served with their respective complaints to start filing their several IPRs, despite raising virtually identical grounds for invalidity that were raised in the prior IPRs and the Delaware litigation, and despite the fact that Defendants hired the same technical expert that was engaged in those prior proceedings. *See* Ex. 2 at 5 (“[T]he current petitions rely on expert testimony from Dr. Stephen Niksa regarding Vosteen, Downs-Boiler, Sjostrom, and other inventor publications that are largely copied and pasted from his Delaware expert report.”). They then waited another three and a half months before moving for a stay. The end result is that this Court will progress the litigation to the trial-ready date with respect to all of the parties claims and defenses before the PTAB could reach final decisions for all of the patents-in-suit on the limited set of validity issues that it is authorized to consider.

At bottom, ME2C’s loss of market share and goodwill, the looming expiration of ME2C’s patents, and Defendants’ dilatory motions practice all indicate that ME2C would be unduly prejudiced and subject to tactical disadvantage in the event of a stay. Accordingly, this factor weighs strongly against the grant of a stay.

IV. CONCLUSION.

For the foregoing reasons, none of the above pertinent factors weigh in favor of granting a stay, and Defendants cannot carry their burden to show otherwise. ME2C respectfully requests that the Court deny Defendants' motion to stay.

DATED: May 14, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on May 14, 2025, a true and correct copy of the foregoing document was filed electronically with the Clerk of Court using the CM/ECF system. As of this date, all counsel of record have consented to electronic service and are being served with a copy of this document through the Court's CM/ECF system.

/s/ Justin T. Nemunaitis

Justin T. Nemunaitis