

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

CORETRONIC CORPORATION AND OPTOMA CORPORATION,
Petitioners,

v.

MAXELL, LTD.,
Patent Owner

Case: IPR2025-00477

U.S. Patent No. 7,850,313

**BRIEF IN SUPPORT OF PATENT OWNER'S REQUEST FOR
DISCRETIONARY DENIAL OF PETITION FOR *INTER PARTES REVIEW*
OF U.S. PATENT NO. 7,850,313**

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EX2002	March 26, 2025, Memorandum to All PTAB Judges from Coke Morgan Stewart, Acting Secretary of Commerce for Intellectual Property, Regarding the Interim Processes for PTAB Workload Management
EX2003	First Amended Docket Control Order, <i>Maxell, Ltd. v. Coretronic Corp.</i> , No. 5:24-cv-00088-RWS-JBB (E.D. Tex.) (Dkt. 65) (January 7, 2025)
EX2004	Order Resetting <i>Markman, Maxell, Ltd. v. Coretronic Corp.</i> , No. 5:24-cv-00088-RWS-JBB (E.D. Tex.) (Dkt. 91) (April 24, 2025)
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EX2008	Defendants' Invalidity Contentions, <i>Maxell, Ltd. v. Coretronic Corp.</i> , No. 5:24-cv-00088-RWS-JBB (E.D. Tex.) (served on December 27, 2024)
EX2009	Preliminary Election of Asserted Art, <i>Maxell, Ltd. v. Coretronic Corp.</i> , No. 5:24-cv-00088-RWS-JBB (E.D. Tex.) (served on March 25, 2025)
EX2010	USPTO Rescinds Memorandum Addressing Discretionary Denial Procedures (February 28, 2025), https://www.uspto.gov/about-us/news-updates/uspto-rescinds-memorandum-addressing-discretionary-denial-procedures
EX2011	March 24, 2025, Memorandum to Members of the Patent Trial and Appeal Board from Scott R. Boalick, Chief Administrative

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	Patent Judge, Guidance on USPTO's Recission of "Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation"
EX2012	FAQs for Interim Processes for PTAB Workload Management, https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management

I. INTRODUCTION

Patent Owner Maxell, Ltd. ("Patent Owner") respectfully requests that the Board deny institution of the Petition filed by Coretronic Corporation and Optoma Corporation (hereinafter "Petitioners") challenging the patentability of claims 1-3 ("challenged claims") of U.S. Patent No. 7,850,313 ("the '313 Patent") (EX1001).

More specifically, the Board should exercise its discretion pursuant to 35 U.S.C. § 314(a) and deny the Petition. Application of the *Fintiv* factors under § 314(a) weighs in favor of denial given the state of the parallel District Court litigation where the same validity challenges are being adjudicated. The Board has discretion to deny institution under these circumstances to promote fairness and efficiency and manage its docket, potentially considering factors beyond the established frameworks. Instituting an IPR here would contradict the goal of IPRs as an "effective and efficient alternative" to litigation, particularly given the substantial overlap and the finite resources of the Board. *Gen. Plastic Indus. Co., Ltd. v. Canon Kabushiki Kaisha*, IPR2016-01357, Paper 19 at 16-17 (P.T.A.B. Sept. 6, 2017) (precedential).

Accordingly, the Board should decline to institute the Petition.

II. THE MARCH 26, 2025, ACTING DIRECTOR'S MEMORANDUM

Pursuant to the March 26, 2025, Acting Director's Memorandum ("Memo"), which outlines "Interim Processes for PTAB Workload Management" including a bifurcated approach for considering discretionary denial, Patent Owner respectfully submits that the Director should deny institution of the Petition. This filing is being made within two months of the Notice of Filing Date dated March 10, 2025 (Paper #5), in accordance with the standard briefing schedule for discretionary denial arguments set forth in the Memo.

The Memo outlines relevant considerations for discretionary denial:

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

As explained more fully below, denial is warranted under 35 U.S.C. § 314(a).

Furthermore, additional considerations warrant discretionary denial, including the '313 Patent's expiration date, Petitioners' undue delay in filing this challenge despite years of notice (EX2001 ¶36), and Petitioners' expert testimony that merely parrots the petition (EX1004). Thus the Petition is ripe for discretionary denial in light of the Memo's aim to "improve PTAB efficiency, maintain PTAB capacity to conduct AIA proceedings, . . . and promote consistent application of discretionary considerations in the institution of AIA proceedings." EX2002 at 3.

III. DISCRETIONARY FACTORS FAVOR DENIAL OF INSTITUTION

The Petition should be denied pursuant to the Director's discretion to deny institution of petitions. **First**, the Petition should be denied pursuant to 35 U.S.C. § 314(a) and the factors set forth in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (P.T.A.B. Mar. 20, 2020), given the parallel District Court litigation. **Second**, additional factors set forth in the "Interim Processes for PTAB Workload Management" Memorandum favor the Board denying the Petition using its discretion.

A. Application of 35 U.S.C. § 314(a) Weighs in Favor of Discretionary Denial

The Petition should also be denied pursuant to 35 U.S.C. § 314(a) because the factors established in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (P.T.A.B.

Mar. 20, 2020) (precedential), weigh strongly in favor of denial due to the parallel District Court Litigation: *Maxell, Ltd. v. Coretronic Corp.*, No. 5:24-cv-00088-RWS-JBB (E.D. Tex.) (filed July 9, 2024) (“District Court Litigation”). Petitioners’ analysis of these factors in the Petition is self-serving and ignores the actual progress and status of the District Court Litigation, thereby minimizing the substantial inefficiencies and prejudice inherent in instituting this duplicative proceeding on a patent due to expire less than a year after the final written decision, particularly given Petitioners’ failure to file a *Sotera* stipulation. When properly analyzed based on the court docket, the *Fintiv* factors favor denial. Institution would be inconsistent with the AIA’s goal of providing an “effective and efficient alternative” where, as here, the District Court is actively adjudicating the same core validity issues. *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8, at 20 (P.T.A.B. Sept. 12, 2018).

1. Status of Motion to Stay in District Court Litigation (Factor 1)

No stay has been requested in the District Court Litigation. Pet. 10. Further, circumstances indicate that a stay would be unlikely in the event of institution. For example, even if the Petition is instituted and Petitioners filed a motion to stay the District Court Litigation, prejudice, tactical disadvantage to Patent Owner, the late stage of litigation, and the lack of potential simplification of the issues would weigh

strongly against such a motion. *See Lennon Image Techs., LLC v. Macy's Retail Holdings, Inc.*, 2:13-CV-00235-JRG, 2014 WL 4652117, at *1 (E.D. Tex. Sept. 18, 2014). The statutory deadline for institution is not until after fact discovery closes. EX2003 at 4; *see Intell. Ventures II v. FedEx Corp.*, No. 2:16-cv-00980-JRG, Dkt. 141 at 5 (E.D. Tex. Oct. 24, 2017) ("The Court agrees that the Parties have already invested substantial effort and resources during discovery and in preparing claim construction briefing. . . . These circumstances weigh against staying this case.").

Thus, the first factor weighs against institution.

2. Proximity Of The District Court's Trial Date (Factor 2)

Trial in the District Court Litigation is scheduled to begin on March 23, 2026, over **five** months before the statutory deadline for issuing a Final Written Decision in this matter on September 10, 2026.¹ The Board has found that scheduled jury selection even three and a half months before the statutory deadline to weigh in favor of denying institution. *See Int'l Business Machines Corp. v. Digital Doors, Inc.*, IPR2023-00969, Paper 8, at 10-11 (P.T.A.B. Dec. 5, 2023).

1. Petitioners' reliance on July 2026 as the Final Written Decision date in their Petition is incorrect. *See* 35 U.S.C. § 316(a)(11) (requiring that the final determination in an *inter partes* review be issued not later than 1 year after the date on which the Director notices the institution).

Rather than looking at the actual date trial is scheduled, the Petition relies on the median time from filing to case disposition in the Eastern District of Texas. Pet. 10. The Petition fails to provide any rationale or support for rejecting the trial date and only speculates the trial date “could get pushed back.” *Id.*; see *Dell Inc. v. Universal Connectivity Techs., Inc.*, IPR2024-01480, Paper 12, at 9 (P.T.A.B. Apr. 24, 2025) (“We are not persuaded by Petitioner’s unsupported argument that the trial date is speculative.”). Regardless, the statistics similarly favor discretionary denial. Petitioners contend a theoretical trial date based on statistics would occur around May 2026. Pet. 10. Even the theoretical trial date precedes the statutory deadline for issuing a Final Written Decision by **four** months.

Eastern District of Texas	Trial Date	Months before FWD (Sept. 10, 2026)
Docket Control Order	March 23, 2026	More than five months
US Courts Statistics	May 2026	Approximately four months

Given that the actual and “statistical” trial dates are well before the due date for the Final Written Decision, the second factor strongly favors discretionary denial. See *Dell Inc.*, Paper 12, at 10 (finding this factor “strongly favors exercising discretionary denial” when both scheduled and statistical trial dates preceded expected final written decision date by several months); *Charter Comms., Inc. v.*

Adaptive Spectrum & Signal Alignment, Inc., IPR2024-01379, Paper 16, at 10-11 (P.T.A.B. Apr. 17, 2025) (finding this factor favors exercising discretionary denial when “regardless of which trial date estimate is considered, they all provide for a trial date months before a projected statutory deadline for a final written decision in this proceeding”).

3. Significant Investment In The Parallel Proceeding (Factor 3)

The parties' and the court's investment in the parallel District Court Litigation weighs heavily in favor of discretionary denial. This factor is judged from the date of the institution decision, which is expected to be no later than September 10, 2025. *See Fintiv*, Paper 11, at 9.

By the time of the institution decision, fact discovery will be complete on August 7, 2025, and opening expert reports will have been served on August 28, 2025, after substantial expense and effort by counsel and experts on both sides. EX2003 at 4. Further, the District Court conducted a *Markman* hearing on May 9, 2025, issued preliminary claim constructions, and invested many hours in holding arguments and issuing numerous rulings on Petitioners' motions to dismiss and the parties' other various motions. *Id.*; EX2004 at 1. For example, the Court has considered and denied a motion to transfer to the Northern District of California, and a district court in the Northern District of California has already dismissed a related

declaratory judgment action filed by Petitioners' subsidiary, Optoma Technology, Inc. EX2005; EX2006. This extensive activity shows a significant investment by both the parties and the courts. *See Motorola Sols., Inc., v. Stellar, LLC*, Paper 19, at 3 (Mar. 28, 2025) (finding "substantial time and effort" invested by parties and the district court, where the district court held a claim construction hearing, parties had served extensive infringement and invalidity contentions, parties had served opening expert reports, and conducted several depositions).

The Petition was filed on January 17, 2025. At that time, Petitioners asserted that "[t]he court proceeding is at an early stage, with relatively little investment from the court and parties." Pet. 11. Patent Owner disagrees, but Petitioners' characterization about the state of affairs in January is irrelevant. As explained in *Fintiv*, the investment in the District Court Litigation by the District Court and the parties is judged from the date of the anticipated institution decision, which is expected to be about September 10, 2025, not January 17, 2025. *Fintiv*, Paper 11 at 9. As presented above, the District Court and the parties will have made a substantial investment in the District Court Litigation. As just explained, the parties have already done so, and those investments will continue to compound in the four months between now and the due date for an institution decision. This *Fintiv* factor strongly weighs in favor of denial.

4. There Is Significant Overlap Between Issues Raised In The Petition And In The District Court Litigation (Factor 4)

The issues in this proceeding are substantially the same as in the District Court Litigation. Here, Petitioners assert that Claims 1-3 of the '313 Patent are unpatentable. Pet. 2. These claims fully overlap with the claims asserted by Maxell against Petitioners in the District Court Litigation. EX2007 at 1. Furthermore, the references that Petitioners rely upon in supporting its Petition include the same references Petitioners rely upon to challenge the validity of the '313 Patent in the District Court Litigation. These references are explicitly listed in Petitioners' (as Defendants') own Invalidity Contentions served in the district court case on December 27, 2024, EX2008 at 7, and listed in the Preliminary Election of Asserted Prior Art, served March 25, 2025. *Compare* Pet. 12-13 with EX2008 at 7 and EX2009 at 1-2.

Petitioners make a half-hearted attempt at a *Sotera* stipulation, claiming that "Petitioners stipulate that they will not pursue the grounds identified in this Petition before the district court." This is not a *Sotera* stipulation, and the statement does nothing to mitigate concerns regarding "potentially conflicting decisions and duplicative efforts between the district court and the PTAB." *See Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12, at 18-19 (P.T.A.B. Dec. 1, 2020).

Indeed, such narrow stipulations have been given little weight by the Board when considering *Fintiv* Factor 4. *See, e.g., Samsung Elecs. Co. v. Cal. Inst. of Tech.*, IPR2023-00130, Paper 10, at 19-20 (P.T.A.B. May 4, 2023) (denying institution of petition that included stipulation “broader to some degree than the stipulation discussed in *Sand Revolution*”); *Roku, Inc. v. IOENGINE, LLC*, IPR2022-01554, Paper 11, at 14 (P.T.A.B. May 5, 2023) (denying institution of petition that “falls far short of a *Sotera*-type stipulation that would bar [Petitioner] from pursuing any grounds in the parallel district court proceeding that could have reasonably been raised before the Board”).

Petitioners’ attempted “stipulation” purports to forego only a perfect overlap of the IPR prior art grounds in the District Court Litigation. Yet the parties would still be left with duplicative efforts in the District Court Litigation because the Court would still make determinations regarding the references cited in the Petition. EX2008 at 15. For example, in case of institution, Petitioners’ attempted stipulation would only remove half the grounds at issue in the District Court Litigation, and each remaining ground involves references at issue in the Petition. For example, the following annotated tables show which grounds in the District Court Litigation involve the same references at issue in this Petition (red box) and which grounds would be covered by Petitioners’ stipulation (greyed out).

'313 Patent		
Asserted Claim(s)	Prior Art Combination	Claim Chart
Claims 1 and 3	Claims 1 and 3 are unpatentable under 35 U.S.C. § 103 (a) over Yamagishi '723 in view of Itohiya '986 and Itohiya '759	Exhibit B Ground 1
Claim 2	Claims 2 is unpatentable under 35 U.S.C. § 103(a) over Yamagishi '723 in view of Itohiya '986, Itohiya '759, and Ohzawa.	Exhibit B Ground 1
Claims 1 and 3	Claims 1 and 3 are unpatentable under 35 U.S.C. § 103 (a) over Itohiya '759 in view of Itohiya '986.	Exhibit B Ground 2
Claim 2	Claims 2 is unpatentable under 35 U.S.C. § 103(a) over Itohiya '759 in view of Itohiya '986 and Ohzawa.	Exhibit B Ground 2
Claim 1	Claims 1 is unpatentable under 35 U.S.C. § 103(a) over Karasawa in view of Yamagishi '706 and Itohiya '759	Exhibit B Ground 3

'313 Patent		
Asserted Claim(s)	Prior Art Combination	Claim Chart
Claim 2	Claims 2 is unpatentable under 35 U.S.C. § 103(a) over Karasawa in view of Yamagishi '706, Itohiya '759, and Ohzawa	Exhibit B Ground 3
Claim 3	Claims 3 is unpatentable under 35 U.S.C. § 103(a) over Karasawa in view of Yamagishi '706, Itohiya '759, and Itohiya '986	Exhibit B Ground 3
Claims 1 and 3	Claims 1 and 3 are unpatentable under 35 U.S.C. § 103 (a) over Yamagishi '706 in view of Itohiya '986 and Itohiya '759.	Exhibit B Ground 4
Claim 2	Claims 2 is unpatentable under 35 U.S.C. § 103(a) over Yamagishi '706 in view of Itohiya '986, Itohiya '759, and Ramachandran.	Exhibit B Ground 4
Claim 1	Claims 1 is unpatentable under 35 U.S.C. § 103(a) over Hori in view of Yamagishi '723.	Exhibit B Ground 5
Claim 2	Claims 2 is unpatentable under 35 U.S.C. § 103(a) over Hori in view of Yamagishi '723 and Ramachandran.	Exhibit B Ground 5
Claim 1	Claims 1 is unpatentable under 35 U.S.C. § 103(a) over Kim in view of Yamagishi '723.	Exhibit B Ground 6
Claim 2	Claims 2 is unpatentable under 35 U.S.C. § 103(a) over Kim in view of Yamagishi '723 and Ramachandran.	Exhibit B Ground 6
Claim 1	Claims 1 is unpatentable under 35 U.S.C. § 103(a) over Hirata '366 in view of Itohiya '759.	Exhibit B Ground 7
Claim 2	Claims 2 is unpatentable under 35 U.S.C. § 103(a) over Hirata '366 in view of Itohiya '759 and Ramachandran.	Exhibit B Ground 7

As seen above, both the Board and District Court would make determinations based on the same references regardless of Petitioners' stipulation. In some cases, the Board and District Court will make determinations based on the **same** combination of references despite Petitioners' stipulation. For example, Ground 4 in the District Court Litigation includes a combination of Yamagishi '706, Itohiya '986, Itohiya '759, and Ramachandran for claim 2. Because claim 2 depends from claim 1, Ground 4 in the invalidity contentions will necessitate an inquiry of whether the combination of Yamagishi '706, Itohiya '986, and Itohiya '759² disclose or render obvious claim 1. This is the exact ground at issue in this Petition as Ground 1. Pet. 12.

Thus, Petitioners' statement (Pet. 11) that "[t]here will be no overlap of issues between the two proceedings" is false.³

2. Ramachandran is only cited in relation to claim 2 and not cited in relation to limitations of independent claim 1.

3. Petitioners can no longer change their stipulation to address for the purposes of discretionary decision making. USPTO, *PTAB Boardside Chat: Interim Processes Relating to Institution in AIA Proceedings*, YOUTUBE, at 29:45 (April 28, 2025), <https://www.youtube.com/watch?v=TwaTg4pbfPg> (featuring April 17, 2025, Boardside Chat, and stating "If the Petitioner wants that stipulation to be taken into account for purposes of discretionary decision making, then that Petitioner must file the stipulation no later than one month after the notice of filing date accorded to a Petition").

Given that the Petition is directed toward the same patent, encompasses the claims at issue in the parallel District Court Litigation, involves overlapping prior art and arguments, and does not seek to mitigate concerns regarding duplicative efforts or potentially conflicting decisions via a *Sotera* stipulation, this factor strongly favors denial of institution.

5. The District Court Litigation And The Petition Involve The Same Parties (Factor 5)

As noted in Patent Owner's Mandatory Notice, there exists a parallel District Court Litigation between the same parties regarding the same subject patent (the '313 Patent). Petitioners are both parties to the District Court Litigation. Accordingly, this factor weighs in favor of discretionary denial. *See Sotera*, IPR2020-01019, Paper 12, at 19 (stating that this factor supports denying institution when the "parties are the same in the *inter partes* proceeding and in the parallel proceeding"). Petitioners' assertion that *Fintiv* factor five is neutral based on these facts is unsupported. *See id.*

6. Other Factors Favor Discretionary Denial (Factor 6)

The challenges set forth in the Petition are flawed. For example, the Petition extensively relies on an expert declaration that largely parrots verbatim the wording of the Petition. EX1004. Further, the Petition fails to provide sufficient motivations to combine in any of its Grounds, as further set forth below.

Additionally, Petitioners waited years after receiving notice of the '313 patent on **April 27, 2023** (EX2001 ¶36) to file this IPR, only after substantial litigation progress. This delay suggests tactical gamesmanship aimed at disrupting the District Court case. As recognized in the Memo regarding discretionary denials, such considerations regarding case management, efficient use of resources, and potential abuse of process may be relevant to the denial analysis and weigh against institution here.

Although Petitioners filed the Petition prior to the statutory deadline (July 2025), they did not do so as quickly as they might have. Indeed, rather than prioritize this proceeding, Petitioners filed three motions to dismiss (including two based on invalidity) in the District Court Litigation, a motion to transfer venue, and a declaratory judgment action. Plainly, the Petition was not a priority for Petitioners, and this factor favors denial in light of Petitioners' failure to provide sufficient motivations to combine in any of its Grounds, or is (at best) neutral.

**B. ADDITIONAL FACTORS SET FORTH IN THE
MEMORANDUM SUPPORT DISCRETIONARY DENIAL**

Beyond the established framework of *Fintiv*, the Memo clarifies that the Director may weigh additional considerations relevant to fairness and efficiency. Several such considerations further support denying institution here.

1. Strength of the Unpatentability Challenge: Petitioners Fail to Provide Sufficient Rationale for Asserted Combinations

a. Grounds 1-4: Itohiya '986 and Itohiya '759

Petitioners must provide evidence of a sufficient rationale for its proposed combinations. *Personal Web Techs., LLC v. Apple, Inc.*, 848 F.3d 987, 993-994 (Fed. Cir. 2017). However, Petitioners fails to provide this rationale for each ground asserted in the Petition.

For example, each of Grounds 1-4 are reliant on the combination of Itohiya '986 and Itohiya '759. *See* Pet. 12-13. However, Petitioners fail to provide supported reasoning that a POSITA would be motivated to combine Itohiya '986 and Itohiya '759. *See, e.g., id.* at 23-24. To start, Petitioners rely on rationales such as “because Itohiya '986 and Itohiya '759 share the same named inventor,” without citing any legal support that this would be adequate to establish motivation to combine. *See id.* at 23.

Further, Petitioners state that “a POSITA looking at Itohiya '986's teachings relating to systems with fixed and moveable lenses would naturally have looked to Itohiya '759 for additional implementation details for such systems.” *See id.* at 23-24. But merely being in the same “field” is insufficient to establish motivation to combine. *See Securus Techs., Inc. v. Global Tel*Link Corp.*, 701 F. App'x 971, 977 (Fed. Cir. 2017) (“a broad characterization of [references] as both falling within the

same alleged field . . . without more, is not enough for [Petitioners] to meet its burden of presenting a sufficient rationale to support an obviousness conclusion”).

Further, Petitioners' alleged motivations are cursory and unsupported and therefore fail to meet “Petitioner's burden to explain specifically how the references would be combined to produce the claimed invention.” *Lowe's Home Centers, LLC v. Epistar Corp.*, IPR2018-00932, Paper 7 at 19 (P.T.A.B. Nov. 1, 2018). For example, Petitioners fail to address that Itohiya '986 already includes a mounting method (*i.e.*, product mounting flange portion 12) and therefore fail to provide rationale for why a POSITA would be motivated to replace Itohiya '986's product mounting flange portion with Itohiya '759's mounting method of fastening a lens barrel to a lower cabinet. *Compare, e.g.*, EX1006B Figs. 1-2 *with* EX1007 ¶ [0040]. In other words, Petitioners fail to address why a POSITA would be motivated to replace the mounting system already discussed in Itohiya '986 with a different mounting method. While the features of a secondary reference need not be bodily incorporated into the structure of the primary reference, a “clear, evidence-supported account of the contemplated workings of the combination is a prerequisite to adequately explaining and supporting a conclusion that a relevant skilled artisan would have been motivated to make the combination and reasonably expect success in doing so” is required. *Personal Web Techs.*, 848 F.3d at 994. Petitioners'

conclusory statements are “insufficient articulations of motivations to combine” and thus Petitioners have failed to establish any reasonable likelihood of success in Grounds 1-4. *See In re Nuvasive, Inc.*, 842 F.3d 1376, 1383 (Fed. Cir. 2016).

b. Grounds 5-7: Karasawa, Yamagishi '706, and Itohiya '759

Each of Grounds 5-7 depend on a combination of Karasawa, Yamagishi '706, and Itohiya '759. Pet. 12-13. However, Petitioners' rationales for combining Karasawa, Yamagishi '706, and Itohiya '759 are deficient.

Petitioners again rely on broad statements that “the references are in the same field of endeavor and POSITAs would naturally have looked to them in their work” and “[a] POSITA looking at Karasawa's and Yamagishi's '706's teachings related to systems with fixed and moveable lenses would naturally have looked to Itohiya '759 for additional implementation details for such systems.” Pet. 62, 64.

This is not enough. As stated previously, being within the “same field” does not provide sufficient evidence of a motivation to combine. *See Securus Techs., Inc. v. Global Tel*Link Corp.*, 701 F. App'x 971, 977 (Fed. Cir. 2017) (“a broad characterization of [references] as both falling within the same alleged field . . . without more, is not enough for [Petitioners] to meet its burden of presenting a sufficient rationale to support an obviousness conclusion”).

Further, while Petitioners assert a combination of the three references in relation to limitation 1.8, Petitioners fail to actually “explain how the references would be combined to produce specific portions of limitation 1.8.” *See Lowe’s Home Centers, LLC v. Epistar Corp.*, IPR2018-00932, Paper 7 at 19 (P.T.A.B. Nov. 1, 2018). For example, Petitioners fail to cite anything in Karasawa, Yamagishi ’706, and Itohiya ’759 in relation to the “while said second mounting base is moveable” portion of limitation 1.8. Petitioners only state that a lens is moveable but fail to discuss any structure in Karasawa, Yamagishi ’706, and Itohiya ’759 in relation to a moveable **mounting base**. *See, e.g.* Pet. 63-64, 75-77.

2. Settled Expectations

The Memo notes that “settled expectations of the parties, such as the length of time the claims have been in force” may be considered. EX2002 at 2. The ’313 patent issued in December 2014 and relates to technology covered by a family of patents. EX1001 at 1. This history, coupled with the expiration of the ’313 Patent on June 15, 2027, contributes to settled expectations regarding the patent’s validity.

3. Patent Expiration and Efficient Resource Allocation

The Memo states that discretionary denial decisions will consider factors bearing on the efficient use of Board resources and overall workload management. EX2002 at 3. Instituting review of the ’313 Patent, which will expire less than a year

after a final written decision, presents a clear case of inefficiency warranting denial.

The '313 Patent claims priority back to June 15, 2006. Its term is expected to expire around June 15, 2027. The final written decision in this matter is anticipated around mid-September 2026, and as such the patent will expire less than a year after the final written decision. Proceeding with an IPR with a patent that will expire less than a year after the final written decision is an inefficient use of the Board's and the parties' resources, particularly where the parties are litigating the '313 Patent's validity in district court and the patent's validity will be adjudicated well before any final written decision by the Board. *See supra* Section A.2.

While the Board has jurisdiction to do so in its discretion, committing substantial resources to adjudicate this patent under these circumstances, particularly while the same validity challenges are concurrently proceeding in the District Court Litigation, is contrary to the goals of improving efficiency and managing workload, as highlighted in the Memo. This warrants discretionary denial.

4. Petitioners' Undue Delay and Gamesmanship

The Memo permits consideration of factors bearing on the efficient use of Board resources and potential abuse of process. Here, Petitioners waited nearly two years to file this Petition after first learning of Maxell's infringement allegations in April 2023. EX2001 ¶36.

This IPR was filed only after substantial progress had been made in the parallel District Court Litigation, including extensive motion practice and exchange of contentions. Such a lengthy and unexplained delay strongly suggests tactical gamesmanship aimed at disrupting the District Court Litigation rather than seeking an efficient alternative to litigation early in the dispute. This weighs in favor of discretionary denial.

5. Petitioners' Reliance on Expert Testimony

Significant portions of Dr. Sasian's declaration appear to mirror the Petition's language, restating arguments and assertions made by Petitioners' counsel often nearly verbatim, without offering sufficient independent analysis, supporting data, or reasoning grounded in specific evidence beyond the Petition's own assertions.

For example, the entirety of Ground 1 in the Petition and the corresponding section of Dr. Sasian's declaration are almost identical.

Petition (Pet. 25-28)	Sasian Decl. (EX1004 ¶¶75-80)
<p>[1.1] an image display element;</p> <p>Yamagishi '723 discloses that its projection type image display apparatus includes an image display element. EX1004, ¶¶75-76.</p>	<p>[1.1] an image display element;</p> <p>75. Yamagishi '723 discloses that its projection type image display apparatus includes an image display element.</p>

Yamagishi '723 discloses "a light modulator (light valve) 4 that modulates emitted light from the light source 3 based on an image signal (data or information) to generate images." *Id.*, [0022]. Further, "[t]he present invention relates to an optical system that magnifies and projects projection light that has been modulated by an image generating device such as a liquid crystal device, DMD, based on image information onto a screen, and to a rear projector that uses the same." *Id.*, [0002]. A POSITA would have understood that a "light modulator" such as a liquid crystal device or DMD (Digital Micromirror Device) is an image display element as claimed. EX1004, ¶76.

76. Yamagishi '723 discloses "a light modulator (light valve) 4 that
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Petitioner Ex 1004 036

modulates emitted light from the light source 3 based on an image signal (data or information) to generate images." *Id.*, [0022]. Further, "[t]he present invention relates to an optical system that magnifies and projects projection light that has been modulated by an image generating device such as a liquid crystal device, DMD, based on image information onto a screen, and to a rear projector that uses the same." *Id.*, [0002]. A POSITA would have understood that a "light modulator" such as a liquid crystal device or DMD (Digital Micromirror Device) is an image display element as claimed.

[1.2] a first lens group, being disposed in a light direction with respect to said image display element, which is configured to include a plural number of lenses;

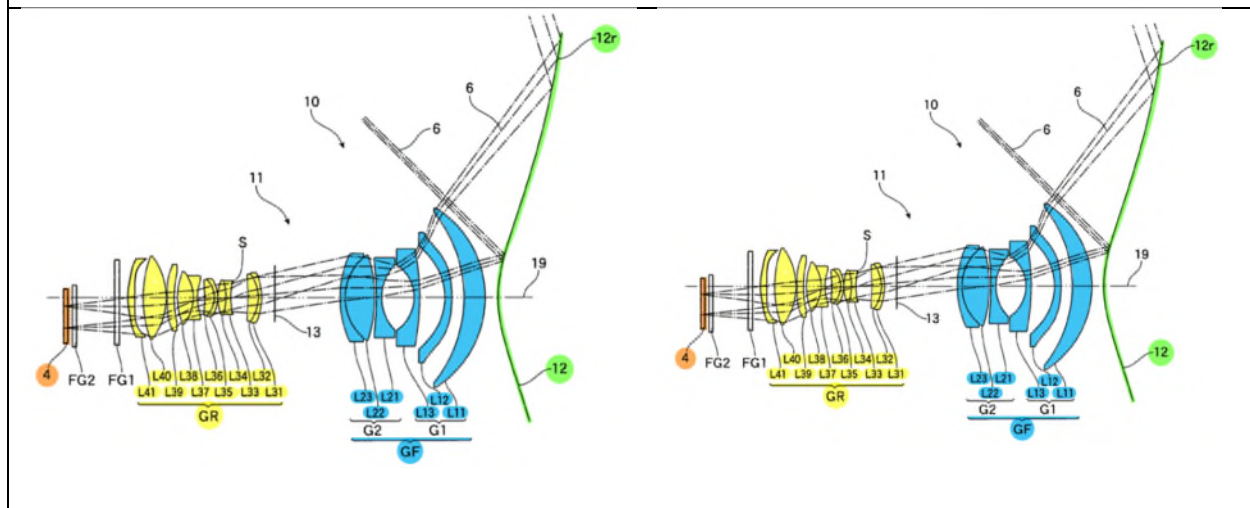
Yamagishi '723 discloses that its projection type image display apparatus includes a first lens group, being disposed in a light direction with respect to said image display element, which is configured to include a plural number of lenses. EX1004, ¶¶77-80.

Yamagishi '723's first lens group is shown in Fig. 3 below.

[1.2] a first lens group, being disposed in a light direction with respect to said image display element, which is configured to include a plural number of lenses;

77. Yamagishi '723 discloses that its projection type image display apparatus includes a first lens group, being disposed in a light direction with respect to said image display element, which is configured to include a plural number of lenses.

78. Yamagishi '723's first lens group is shown in Fig. 3 below.



<p>Yamagishi ‘723 teaches that “[t]he lens system 11 is composed of a front group GF with a negative refractive power that is disposed on the projection side (the screen 9 side), that is, the aspherical mirror 12 side and a rear group GR with a positive refractive power that is disposed on the image generating device 5 side.” <i>Id.</i>, [0024] (emphasis added). Yamagishi ‘723’s “rear group GR” corresponds to the “first lens group” claimed in the ‘313 Patent. EX1004, ¶79. As shown in Fig. 3, this rear group of lenses is proximate to the image display element (light modulator) 4 and is disposed in a light direction with respect to the image display element. <i>Id.</i></p>	<p>79. Yamagishi ‘723 teaches that “[t]he lens system 11 is composed of a front group GF with a negative refractive power that is disposed on the projection side (the screen 9 side), that is, the aspherical mirror 12 side and a rear group GR with a positive refractive power that is disposed on the image generating device 5 side.” <i>Id.</i>, [0024] (emphasis added). Yamagishi ‘723’s “rear group GR” corresponds to the “first lens group” claimed in the ‘313 Patent. As shown in Fig. 3, this rear group of lenses is proximate to the image display element (light modulator) 4 and is disposed in a light direction with respect to the image display element.</p>
<p>Further, Yamagishi ‘723’s rear group of lenses clearly includes a plural number of lenses. EX1004, ¶80. Yamagishi ‘723 explains that “[t]he rear group GR is composed of a total of eleven lenses” EX1005, [0029].</p>	<p>80. Further, Yamagishi ‘723’s rear group of lenses clearly includes a plural number of lenses. Yamagishi ‘723 explains that “[t]he rear group GR is composed of a total of eleven lenses” <i>Id.</i>, [0029].</p>

The above examples are exemplary and pervade the Sasian declaration.

Such parroting of attorney argument diminishes the weight, if any, that should be accorded to the testimony. *See Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 12 (P.T.A.B. Feb. 10, 2023) (precedential) (according “little weight” to declaration testimony that contains a verbatim restatement of a petition’s conclusory assertions without additional supporting evidence or reasoning); *Facebook, Inc. v. Windy City Innovations, LLC*, 973 F.3d 1321, 1340–41 (Fed. Cir. 2020) (affirming Board decision giving no weight to expert testimony that “merely repeated Petitioners’ argument, nearly verbatim, without citation to the basis for his testimony”); *see also Wowza Media Sys., LLC v. Adobe Sys. Inc.*, IPR2013-00054, Paper 12 at 12 (P.T.A.B. Apr. 8, 2013) (“The Declaration . . . appears, for the most part, simply to track and repeat the arguments for unpatentability presented in the

Petition [and] . . . is therefore no more helpful tha[n] the Petition in determining where the challenged recitation is found in the references.”). This practice also raises concerns under 37 C.F.R. § 42.65(a). *See* 37 C.F.R. § 42.65(a) (“Expert testimony that does not disclose the underlying facts or data on which the opinion is based is entitled to little or no weight.”).

Accordingly, Petitioners’ improper use of expert testimony further supports discretionary denial under 35 U.S.C. § 314(a).

6. The Board Should Reject Any Late *Sotera* Stipulation

Petitioners have not made a proper *Sotera*-style stipulation—that “if IPR is instituted, [Petitioners] will not pursue in the District Court Litigation any ground raised or that could have been reasonably raised in an IPR”—in its Petition, which weighs further in favor of discretionarily denying institution. *See Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12, 13-14 (P.T.A.B. Dec. 1, 2020) (precedential).

As set forth above, Petitioners chose to make an insufficient stipulation in attempt to preserve a second bite at the apple in the district court. The Board should not accept any late *Sotera* stipulation potentially offered after this Request for Discretionary Denial. Any withholding of the *Sotera* stipulation in the Petition is gamesmanship and prejudicial to Patent Owner in this proceeding, and is

inconsistent with 37 C.F.R. § 42.1(b)'s mandate to "secure the just, speedy, and inexpensive resolution of every proceeding." Indeed, Petitioners' gamesmanship in this regard prejudices Patent Owner because Patent Owner is forced to prepare overlapping validity defenses in the District Court Litigation and this proceeding throughout the pendency of this Petition.

Additionally, on February 28, 2025, the Office *rescinded* former Director Vidal's 2022 memorandum on discretionary denials, which placed significant weight on *Sotera* stipulations. The announcement rescinding former Director Vidal's 2022 memorandum went on to state that decisions relying on the 2022 memo will be "neither binding or persuasive on the PTAB." EX2010 at 1.

On March 24, 2025, the Office released a memo providing guidance following the rescission of Director Vidal's 2022 memo. That memo provided that a *Sotera* stipulation would be "highly relevant, but will not dispositive in itself." EX2011 at 2-3. Petitioners' failure to provide a *Sotera* stipulation along with its Petition has prejudiced and continues to prejudice Patent Owner. In view of the above and in the event the Petitioners file a late *Sotera* stipulation, the stipulation should not be

considered persuasive.⁴

These additional factors, highlighted by recent Office guidance, provide further independent bases for the Director to exercise discretion and deny institution of this IPR petition.

IV. CONCLUSION

For at least the foregoing reasons, the Board should deny institution of the Petition.

Dated: May 12, 2025

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4. *See* EX2012 at 5 (“A petitioner should file a *Sotera* or *Sand* stipulation as soon as practicable, so that a patent owner may address the impact of the stipulation in its discretionary denial brief”).

Patent No. 7,850,313

Brief in Support of Patent Owner's Request for Discretionary Denial

CERTIFICATE OF SERVICE

I hereby certify that on this 12th day of May, 2025, a copy of the attached **BRIEF IN SUPPORT OF PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL** was served by electronic mail to the attorneys of record, at the following addresses:

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CERTIFICATION PURSUANT TO 37 C.F.R. § 42.24(d)

Pursuant 37 CFR 42.24(d), the undersigned certifies that this Preliminary Response and complies with the type-volume limitation of 37 CFR §42.24(a). The word count application of the word processing program used to prepare this Brief In Support of Patent Owner's Request for Discretionary Denial indicates that the Preliminary Response contains 4,870 words, excluding the parts of the brief exempted by 37 C.F.R. § 42.24(a).

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