

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

SHENZHEN TUOZHU TECHNOLOGY CO., LTD.,

Petitioner

v.

STRATASYS, INC.

Patent Owner.

PETITION FOR *INTER PARTES* REVIEW
OF U.S. PATENT NO. 9,168,698

Case No. IPR2025-00531

PATENT OWNER'S REQUEST FOR DIRECTOR REVIEW

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I. INTRODUCTION

Pursuant to 37 C.F.R. § 42.75, Stratasys, Inc. (“Stratasys” or “Patent Owner”) submits this Request for Director Review of the Acting Director’s decision to refer the petition to the Board and the Panel decision instituting *inter partes* review of claims 1-15 of U.S. Patent No. 9,168,698 (“the ’698 Patent”). *See* Paper 10 (“Referral”), Paper 11 (“Institution Decision”).

As detailed below, the Referral and subsequent Institution Decision abused discretion and erred in fact-finding. Trial in a parallel district court proceeding—where no stay has been issued—will precede any final written decision in this proceeding by over four months. Additionally, Petitioner’s stipulation fails to avoid duplicative and parallel patent challenges between IPR and district court and does not represent a true alternative to district court litigation. Indeed, Petitioner has asserted and continues to assert, including via third-party discovery, anticipation and obviousness theories in District Court. Contrary to the Acting Director’s finding that the patents asserted in district court litigation involve diverse subject matter, the record plainly indicates that the patents are squarely directed to the same field of 3D printing. As detailed below, these errors raise important issues of policy that require correction and warrant Director Review.

II. LEGAL STANDARD FOR DIRECTOR REVIEW

“Requests for Director Review of a Board’s decision on institution . . . shall

be limited to decisions presenting (a) an abuse of discretion, (b) important issues of law or policy, (c) erroneous findings of material fact, or (d) erroneous conclusions of law.” USPTO, Director Review Process, Availability of Director Review, Proceedings under part 42 of 37 C.F.R. (Section 2.B), available at

<https://www.uspto.gov/patents/ptab/decisions/director-review-process>; *see also id.*

(“If the Director issues a decision determining that discretionary denial is not appropriate, a party should file a single request for rehearing or Director Review after the Board panel issues its decision.”).

“An abuse of discretion is found if the decision: (1) is clearly unreasonable, arbitrary, or fanciful; (2) is based on an erroneous conclusion of law; (3) rests on clearly erroneous fact finding; or (4) involves a record that contains no evidence on which the Board could rationally base its decision.” *Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1367 (Fed. Cir. 2016).

III. BACKGROUND

A. Parallel District Court Cases

Patent Owner asserted the '698 Patent against Petitioner in U.S. District Court over a year ago in August 2024. *Stratasys, Inc. v. Shenzhen Tuozhu Technology Co., Ltd. et al.*, No. 2:24-cv-00644-JRG, Dkt. No. 1 (E.D. Tex. Aug. 8, 2024). The case involving the '698 Patent involves four other asserted patents and was consolidated with a co-filed case with five additional patents involving the

same parties and court (collectively, “Related Litigation”), with each asserted patent relating to 3D printing. The court set a trial date of June 1, 2026 and stressed to the parties that the date cannot be changed without good cause, which requires more than an agreement between the parties. *See* EX1024 at 1, 6 (placing requirement for good cause in bold).

In the Related Litigation, Patent Owner has asserted infringement of the same claims being challenged in this proceeding. Petitioner has served invalidity contentions with over 20 “exemplary” obviousness combinations, many including system art, such as MakerBot Replicator, SeTAC, RepRap 20208 and Bukkapatnam. *See* EX2007 at 52-53; *see also id.* at 29, 46-62.

B. The Present *Inter Partes* Review

Petitioner filed the present *inter partes* review petition challenging the '698 Patent and offered a stipulation not to pursue in District Court the same grounds of invalidity raised in the petition if IPR is instituted. EX1023. The USPTO then issued a Guidance Memorandum on March 24, 2025 (“Guidance Memorandum”; *see* https://www.uspto.gov/sites/default/files/documents/guidance_memo_on_interim_procedure_recission_20250324.pdf) regarding the USPTO's rescission of the June 21, 2022 memorandum (“rescinded memorandum” or “June 2022 memorandum”; *see* https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigati

[on_memo_20220621_.pdf](#)). Petitioner then offered a second, *Sotera*-type, stipulation not to pursue in district court the same grounds of invalidity raised or that could have been raised in the petition if the IPR is instituted. EX1027. After the filing of Patent Owner's Discretionary Denial Brief, Petitioner filed a third stipulation not to pursue a combination of system art and the references that form the basis of any ground raised in IPR. EX1033.

C. Institution Decision

In the July 17, 2025 decision referring the present petition to the Board for review, the Acting Director applied the *Fintiv* factors. Notwithstanding the overlapping subject matter between the Related Litigation and the present review, as well as the fact that trial is set to begin in those proceedings several months before any final written decision, the petition was referred to the Board. *See* Referral at 2-3; EX1024 at 1. After the Referral, the Board instituted *inter partes* review on October 6, 2025. *See* Institution Decision.

However, the Referral did not properly apply the *Fintiv* factors. Indeed, before the Referral, the Acting Director discretionarily denied review in a related IPR proceeding with similar operative facts, IPR2025-00354, based on a holistic assessment, including consideration of an earlier trial date and an assertion of unpublished system art in the same Related Litigation that Petitioner's stipulation is not likely to moot. *Shenzhen Tuozhu Technology Co., Ltd. v. Stratasy, Inc.*,

IPR2025-00354, Paper 11 (June 12, 2025). The Acting Director also denied Director Review of that decision. *See Shenzhen Tuozhu Technology Co., Ltd. v. Stratasys, Inc.*, IPR2025-00354, Paper 14 (Aug. 21, 2025). Because Petitioner has sought and continues to seek parallel challenges to the validity of the '698 Patent in which another tribunal will reach a decision well before the PTAB, the Director should vacate the Referral and Institution Decisions and terminate the proceedings.

IV. DIRECTOR REVIEW IS WARRANTED

Patent Owner respectfully requests that the Director grant review of the Referral and the Institution Decision, vacate those decisions, and terminate the proceedings under 35 U.S.C. § 314.

A. The Referral decision failed to assign proper weight to *Fintiv* factors 2 and 3

The Referral acknowledged that “the projected final written decision due date in the Board proceeding is October 7, 2026.” Referral at 2. In fact, jury selection is set to begin on June 1, 2026, a month before even *oral argument* would occur in this IPR. EX1024 at 1; Paper 12 (“Scheduling Order”) at 13. As the Referral admitted, this weighs in favor of discretionary denial under *Fintiv* factor 2. Referral at 2. However, the Referral failed to properly consider the consequences of the early trial date in relation to the schedule of this IPR.

Because trial will conclude long before any final written decision, and because this IPR fails to substitute for *any* phase of the litigation (*see also infra* §

IV.B), this IPR would serve the exact opposite of IPR's intended goals; rather than promoting efficiency and fairness via "quick and cost effective *alternatives* to litigation." (See Consolidated Trial Practice Guide (84 Fed. Reg. 64,280 (Nov. 21, 2019)) ("Practice Guide") at 58), Petitioner gets multiple bites at the apple while domestic stakeholders—the Board, the District Court, and Patent Owner—are forced to engage in duplicative efforts. By the time of any final written decision, the District Court trial will already have resulted in a validity finding regarding the '698 Patent—as well as the other nine asserted patents—without the need to expend the vast resources required for this parallel proceeding. By contrast, carrying out this IPR only results in more expended resources while increasing the risk of inconsistent outcomes.

Similarly, the investment by the parties in the District Court proceedings favors denial in accordance with *Fintiv* factor 3. The Referral made no mention of this factor. In contrast to some district courts that postpone significant discovery until after *Markman*, discovery in the Related Litigation began in November 2024—eight months before the Referral, and nearly a year before the panel decision instituting IPR of the '698 Patent. Now, the parties have reached substantial completion of discovery and produced over 500,000 pages of documents. See EX1024 at 5.

The parties have also prepared and exchanged thousands of pages of

contentions—including contentions as to the '698 Patent—and briefed issues related to party joinder, ultimately resulting in consolidation of the case filed by Petitioner that challenges the validity of the patents with the cases filed by Patent Owner. Claim construction is underway, and the parties have completed claim construction discovery and begun briefing. In addition to these efforts, the District Court has issued numerous other orders, including orders specifically relevant to the challenged patent and other asserted patents, such as the docket control order setting forth the deadlines for infringement and invalidity contentions for the challenged patent. EX1024 at 5–6. Thus, there has been substantial investment by the parties and court as a result of the parties' voluminous contentions, expansive efforts with respect to fact discovery, and briefing on countless motions. Given the amount and type of work already completed, *Fintiv* factor 3 strongly favors discretionary denial.

Both *Fintiv* factors 2 and 3 strongly favor denial, and in the interest of consistency—vital to “the integrity of the patent system”—they should have been afforded *substantial* weight and resulted in denial. *See* 35. U.S.C. § 316(b).

B. The Referral decision erred because Petitioner's stipulation fails to avoid duplication with the district court proceedings

The Referral decision erred by failing to consider whether Petitioner's stipulation would moot Petitioner's contentions in the Related Litigation. Petitioner's stipulations, whether in their second or third iteration, have done little

to narrow the district court proceedings yet was still described as “broad” in the Referral decision. Petitioner remains free to, and has continued to, pursue grounds of invalidity under 35 U.S.C. §§ 102 and 103. This includes the pursuit of third-party discovery into alleged prior art systems that directly relate to the references asserted in this IPR. Indeed, Petitioner's contentions in the Related Litigation identify no less than four system art references for the '698 Patent: MakerBot Replicator, SeTAC, RepRap 20208 and Bukkapatnam. *See* EX2007 at 29.

In accordance with the Guidance Memorandum that clarifies a *Sotera*-type stipulation “will not be dispositive by itself,” the Acting Director issued a decision shortly thereafter explaining that a *Sotera*-type stipulation “does not ensure” that an IPR proceeding will be a “true alternative” to a district court proceeding because it “is not likely to moot” arguments involving unpublished system art. *See Motorola Sols. v. Stellar, LLC*, IPR2024-01205, Paper 19 at 3–4 (Mar. 28, 2025). Petitioner's third stipulation fares no better. Like *Sotera*-type stipulations, Petitioner's third stipulation is not a bar to asserting system art in the district court. Irrespective of any similarities between such art and printed publications that were raised or could have been raised during IPR, the Federal Circuit clarified that IPR estoppel, which is similar to Petitioner's stipulation, “does not preclude” an assertion that “a claimed invention was known or used by others, on sale, or in public use in district court.” *Ingenico Inc. v. IOENGINE, LLC*, 136 F.4th 1354,

1367 (Fed. Cir. May 7, 2025). As a result, Petitioner remains free to game the system with variations of its IPR grounds that repackage the same substantive arguments with system art known, used by others, on sale, or in public use. In the context of Petitioner's continued reliance "on corresponding system art in a co-pending proceeding and[] several other invalidity theories," Petitioner's stipulation is not "particularly meaningful because the efficiency gained by any AIA proceeding will be limited." USPTO, Interim Director Discretion Process ("Discretionary Process"), Section I.D, available at <https://www.uspto.gov/patents/ptab/interim-director-discretionary-process>.

Thus, the Referral erred in failing to consider the Guidance Memorandum, the decision in *Motorola Solutions v. Stellar, LLC*, the Federal Circuit's recent decision in *Ingenico Inc. v. IOENGINE, LLC*, and the fact that Petitioner has asserted numerous obviousness grounds in the district court. Petitioner continues to pursue such assertions, issuing thirteen and counting third-party subpoenas in part as an attempt to develop such arguments, deposing these third parties, and seeking discovery from Patent Owner regarding system art.

The third stipulation is not likely to moot petitioners invalidity arguments in the district court that include many combinations of system art with references not asserted in IPR but that could have been asserted, system art with references that substitute for reference(s) asserted in IPR that are part of Petitioner's common

illustrative categories (e.g., Mechanically Coupled Fabrication-Sensor, Detecting Current Contact Force, Force-Sensor Responsive Control Signal, Controlling Feed-Rate), or system art with only *some* references forming an IPR ground (i.e., substituting art for one or more references used in IPR). *See* EX2007 at 52-62.

This IPR provides Petitioner with an opportunity to game the system to devise an unfair second bite at the apple, a concern shared by the USPTO and the court in the Related Litigation. Under the proper standard, Petitioner's stipulation is insufficient to represent a "true alternative" to the district court proceeding. Furthermore, Petitioner should have filed its "stipulation as soon as practicable," rather than spreading three stipulations across five months. Discretionary Process, Section I.D; EX1023; EX1027; EX1033. Thus, discretionary denial is still favored when Factor 4 is considered as part of a holistic assessment under *Fintiv* that does not "tip the balance against discretionary denial." Referral at 3.

C. The Referral decision erred in the analysis of the scope of the patents asserted in the Related Litigation

While all of the patents asserted in the Related Litigation lie in the narrow field of 3D printing, the Referral decision relied on a supposed "diverse range of subject matter" to suggest that the Board would be "better suited to review" the patents despite the *Fintiv* issues discussed above. Referral at 3 (citing *Tesla Inc. v. Intellectual Ventures II LLC*, IPR2025-00217, Paper 9 at 2-3 (June 13, 2025)). Applying this logic to the petitions at issue would stretch the *Tesla* decision to

swallow nearly all IPR petitions; illustrating why doing so was an error.

Petitioner acknowledges that each patent asserted in district court relates to the same field and subject matter—3D printing—by proposing levels of skill in each IPR that center on 3D printing. See Paper 2 (Petition) in each of IPR2025-00257 (at 7); IPR2025-00311 (at 6); IPR2025-00321 (at 5); IPR2025-00354 (at 6); IPR2025-00438 (at 6); IPR2025-00531 (at 5); IPR2025-00532 (at 4); IPR2025-00585 (at 5); IPR2025-00611 (at 3). The facts here—a 3D printing company protecting its patents in a common field and subject matter against another 3D printing company—stand in contrast to those in *Tesla*, where an automobile manufacturer challenged patents from unrelated, diverse fields, such as vehicle docking and power control in a wireless network, that are owned by a patent holding company, Intellectual Ventures. See IPR2025-00217, Paper 8 at 6, 17.

In *Tesla*, where the district court proceeding involved more patents across more families, it was clear that a wide range of expertise would be required, even just from the titles of the patents, which range from “Determining buffer occupancy and selecting data for transmission on a radio bearer” to “Simultaneous multiple field of view digital camera” to “Generalized Hebbian learning for principal component analysis and automatic target recognition, systems and method.” *Id.* at 6. No such issue exists here where all asserted patents directly relate to 3D printing, which even Petitioner acknowledges. *See*, e.g., Paper 2 at 5.

If the asserted patents present a “vast scope” of “diverse subject matter,” so would nearly any selection of patents between two practicing companies in the same field.

D. The Referral decision erred in the analysis of Patent Owner's settled expectations

As acknowledged by the Acting Director, Patent Owner had “strong settled expectations” created by the '698 Patent being “in force for approximately 10 years,” which weighs in favor of discretionary denial. The Acting Director also relied on Petitioner's assertion that the '698 Patent has never been “commercialized, asserted, marked, licensed, or otherwise applied” in Petitioner's ‘particular technology space.’ Referral at 3 (quoting Petitioner's Discretionary Denial Opposition (“Pet. DD Opposition”), Paper 9, at 3-5). But any reliance on Petitioner's assertion is misplaced because Petitioner's assertion is a material misrepresentation of fact as the '698 Patent was marked on a commercialized product. Nearly two months before Petitioner's misrepresentation, Patent Owner produced to Petitioner patent marking labels in the Related Litigation on May 19, 2025 for two of Patent Owner's 3-D printers, the Stratasys F770 and F3300 (produced as SSYSBL000017117 and SSYSBL000017118). Each of these marking labels expressly lists the '698 Patent. Despite having possession of evidence showing that the '698 Patent has been in force for nearly 10 years and that multiple products from Patent Owner were marked with the '698 Patent, Petitioner proceeded to misrepresent to the Acting Director that the '698 Patent

was never “commercialized, asserted, marked, licensed, or otherwise applied” in Petitioner’s technology space of 3D printing. Pet. DD Opposition at 3-5.

Accordingly, Petitioner’s misrepresentations cannot overcome settled expectations supporting discretionary denial for the ’698 Patent.

E. The Panel erred by not considering Petitioner’s non-compliance with PTAB rules

In addition to the errors in the Referral, the Panel also erred by allowing Petitioner to exceed the Petition’s word limit, in violation of 37 C.F.R. § 42.6(a)(3). Namely, Petitioner presented no arguments in the Petition as to why the “RepRap2028” reference was publicly available and instead incorporated by reference the declaration of Adrian Bowyer regarding this reference. Paper 8 at 29-32. Notably, the Petition was just below the word limit, so Petitioner violated the word limit by relying on the declaration for this argument. Paper 2 at 79 (certification). The PTAB’s “rules prohibit parties’ incorporation of arguments by reference.” *See* Decision Denying Petitioner's Request on Rehearing of Final Written Decision, *Medivis, Inc. v. Novarad Corp.*, IPR2023-00042, Paper 37 at 10 (Apr. 23, 2024). This rule “minimizes the chance that an argument would be overlooked and eliminates abuses that arise from incorporation and combination.” *3M Co. v. Evergreen Adhesives, Inc.*, 860 F. App’x 724, 725 (Fed. Cir. 2021) (internal citations omitted). And in its absence, the Board would be forced to “play archaeologist with the record.” *Id.*

Patent Owner explained Petitioner's improper incorporation by reference in its Discretionary Denial request and in its Preliminary Response. Paper 7 at 24; Paper 8 at 29-32. Yet, the Panel declined to fully address this rule violation, which should have warranted denial. Institution Decision at 13-14. The Panel made its determination on the public availability of the "RepRap2028" reference based solely on the contents of the declaration, as the petition contained zero argument as to why that reference was publicly available. *Id.* It is nonsensical to invest further in this proceeding before this clear-cut issue is fully considered, and illogical to institute when Petitioner cannot follow the Board's rules.

V. CONCLUSION

Under a proper analysis of the *Fintiv* factors and facts, in accordance with the Guidance Memorandum, and recent Director and Federal Circuit decisions, the circumstances favor Director Review of the Referral and Institution Decision to vacate and terminate the present proceedings. Beyond the direct relevance of the facts to the *Fintiv* factors, doing so would serve the interests of fairness and efficiency, while addressing concerns that any patent may become unreliable when subject to multiple challenges. Currently, the '698 Patent is set to be subjected to a suite of invalidity challenges at the district court, only to be subjected to further challenges in this IPR. Thus, Director review is warranted, and on review the Director should vacate the decisions and terminate this proceeding under § 314(a),

similar to the Acting Director's discretionary denial decision in related IPR proceeding, IPR2025-00354.

Dated: October 20, 2025

Respectfully submitted,

/s/ Brian W. Oaks

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CERTIFICATE OF SERVICE

Pursuant to 37 CFR § 42.6(e)(4), the undersigned certifies that on October 20, 2025, a complete copy of the foregoing Patent Owner's Request for Director Review was served on Lead and Back-up Counsel for Petitioner at the service address provided in Petitioner's Mandatory Notices:

Email: IPR56224-0008IP1@fr.com

Dated: October 20, 2025

/s/ Brian W. Oaks

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