UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MICRON TECHNOLOGY, INC. and
MICRON SEMICONDUCTOR PRODUCTS, INC.
Petitioner

v.

PALISADE TECHNOLOGIES, LLP,
Patent Owner.

Case No. IPR2025-01008
U.S. Patent No. 8,327,051

PETITIONERS' OPPOSITION TO PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL

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Ex-1003	Curriculum Vitae of Dr. R. Jacob Baker
Ex-1004	Prosecution History of U.S. Patent No. 8,327,051 (App. No. 11/986,389)
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Ex-1006	U.S. Patent Application Pub. No. US2004/0250010 to Chen et al. ("Chen")
Ex-1007	U.S. Patent Application Pub. No. US 2006/0053241 to Lin et al. ("Lin")
Ex-1008	German Patent Application Publication No. DE 10220629A1 to Thorsten
Ex-1009	Certified translation of German Patent Application Publication No. DE 10220629A1 ("Thorsten")
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Ex-1011	[Intentionally left blank]
Ex-1012	[Intentionally left blank]
Ex-1013	[Intentionally left blank]
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Ex-1015	[Intentionally left blank]
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Ex-1023	Keun S. Yim et al., *A Flash Compression Layer for SmartMedia Card Systems*, 50 IEEE Transactions on Consumer Electronics 120 (2004)

[1] Four-digit pin citations that begin with 0 are the page stamps added by Micron in the bottom right corner of the exhibits. All other pin citations are to original page, column, paragraph, or line numbers.

Ex-1024	U.S. Patent No. 7,433,994 to Petersen ("Petersen")
Ex-1025	*On-The-Go Supplement to the USB 2.0 Specification*, Revision 1.0a (June 24, 2003) ("USB mini-A specification")
Ex-1026	Newton's Telecom Dictionary (23d ed. 2007) ("port")
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Ex-1028	PartE1 SDIO Simplified Specification ver. 2.00 (Feb. 2007) ("Secure Digital Specification)
Ex-1029	IEEE Standard for a High Performance Series Bus—Amendment 1 (Mar. 30, 2000) ("IEEE-1394 four-pin Specification")
Ex-1030	U.S. Patent No. 7,082,483 to Poo ("Poo")
Ex-1031	U.S. Patent Application Pub. No. 2005/0102471 to Tsai et al. ("Tsai")
Ex-1032	Wolfgang Rankl et al., Smart Card Handbook (3d ed. 2003)
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Ex-1038	Zillow - 1468 James Rd, Gardnerville, NV 89460
Ex-1039	Micron Technology Corporate Profile
Ex-1040	Press Release, "*Micron's expansion and modernization plans for Virginia Facility*," available at https://www.micron.com/us-expansion/va?srsltid=AfmBOorN_TbrqqVCiOaeTK5OmllRqRiZtCZuIvxoE0kb4TkEpDfM9FN2 (last accessed Sept. 1, 2025)
Ex-1041	The White House, "*Micron Announces Massive CHIPS Investment, Onshoring Production*" (June 12, 2025).
Ex-1042	Press Release, *"President Trump Secures $200B Investment from Micron Technology for Memory Chip Manufacturing in the United States*, U.S. Dept. of Commerce (June 12, 2025).
Ex-1043	NIST, *"Department of Commerce Awards CHIPS Incentives to Micron for Idaho and New York Projects and Announces Preliminary Memorandum of Terms for Virginia DRAM Project to Secure Domestic Supply of Legacy Memory Chips"* (Dec. 10, 2024) available at https://www.nist.gov/news-events/news/2024/12/department-commerce-awards-chips-incentives-micron-idaho-and-new-york (last accessed Sept. 5, 2025).
Ex-1044	Judge Counts' Standing Order Governing Patent Proceedings (filed

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Ex-1045	Congressional Research Service, *The Patent Trial and Appeal Board and Inter Partes Review*, R48016 (May 28, 2024)
Ex-1046	Federal Court Management Statistics, June 30, 2025, available at https://www.uscourts.gov/data-news/data-tables/2025/06/30/federal-court-management-statistics/n-a-1
Ex-1047	Scheduling Order in *Palisade Techs., LLP v. Micron Tech., Inc. et al*, No. 7:24-cv-0262-DC-DTG (D.I. 38) (April 4, 2025)
Ex-1048	Plaintiff's Preliminary Infringement Contentions, in *Palisade Techs., LLP v. Micron Tech., Inc. et al*, No. 7:24-cv-0262-DC-DTG (served April 16, 2025)
Ex-1049	Nathan Sportel, *Did Sotera Stipulations Solve the Fintiv Criticisms?*, 21 Chicago-Kent J. Intell. Prop. (2022)
Ex-1050	Dana Nguyen, *IPR Estoppel's Evolving Landscape*, XV Nat'l L. Rev. 141 (Feb. 10, 2025)
Ex-1051	Ryan Davis, *PTAB Ramps Up Fintiv Denials After Withdrawal of Memo*, Law360 (May 13, 2025)
Ex-1052	Brief of The National Retail Federation, The High Tech Inventors Alliance, et al., as Amici Curiae in Support of Apple and Reversal, Apple Inc., v. Stewart, No. 24-1864 (Fed. Cir. Aug. 12, 2024)
Ex-1053	Appendix B to Plaintiff's Preliminary Infringement Contentions, in *Palisade Techs., LLP v. Micron Tech., Inc. et al*, No. 7:24-cv-0262-DC-DTG (served April 16, 2025)
Ex-1054	Press Release, "*Micron's Sleek New Crucial X6 Portable SSD Delivers Fast, Instant Access to Digital Content*" (August 25, 2020), available at https://www.crucial.com/company/press-release
Ex-1055	Micron's First Supplemental Objections and Responses to Plaintiff Palisade Technologies, LLP's Venue-Related 30(b)(6) Notice, in *Palisade Techs., LLP v. Micron Tech., Inc. et al*, No. 7:24-cv-0262-DC-DTG (served July 2, 2025)
Ex-1056	Locations | Micron Technology Inc., available at https://www.micron.com/about/locations?srsltid=AfmBOoqG-yvf5a7FE2OAkaHlLsXPW-8fj_iI0BGSr_ypxe9Q5jPdXhg1 (last accessed Sept. 9, 2025)
Ex-1057	Micron and Western Digital: The future of the national semiconductor technology center, available at https://www.micron.com/about/blog/company/partners/micron-western-digital-future-of-national-semiconductor-technology-center?srsltid=AfmBOorohyI%E2%80%A6 (last accessed Sept. 9,

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Ex-1058	*Western Digital Completes Acquisition Of SanDisk, Creating A Global Leader In Storage Technology*, PRNewswire (May 12, 2016)
Ex-1059	Micron's Preliminary Invalidity Contentions for U.S. Patent Nos. 8,148,962; 8,327,051; and 9,281,314, in *Palisade Techs., LLP v. Micron Tech., Inc. et al*, No. 7:24-cv-0262-DC-DTG (served June 11, 2025)
Ex-1060	Bloomberg Law Search results, U.S. District Court for the Western District of Texas Dockets
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Ex-1067	Assignment abstract of title for Application 14147190 (SitePro '078 patent assignment records)
Ex-1068	Assignment abstract of title for Application 13708557 (SitePro '909 patent assignment records)

I. INTRODUCTION

This IPR should be instituted; discretionary denial is not warranted. As discussed below, compelling economic interests favor institution. The *Fintiv* factors also favor institution. Moreover, contrary to Patent Owner's ("Palisade's") assertions, it does not have settled expectations on the challenged patent—Palisade only recently acquired the patent about a year ago, and the patent has never before been asserted, licensed, commercialized in any way, or ever had its validity re-evaluated after issuance. Moreover, the Petition's use of expert testimony is consistent with the Board's accepted practice, and makes plain that the challenged claims are unpatentable. The grounds are strong, and Palisade's arguments against them are exceedingly weak.

The lack of any true innovation deserving of patent protection is further demonstrated from the patent's protracted prosecution history. After the applicant filed the application in 2007, it took five rounds of rejections to finally gain allowance in 2012. But, as explained below, the examiner's "reasons for allowance" after this lengthy prosecution are in error. While the examiner stated that he conducted a "thorough search" for prior arts, and concluded that nothing "fairly teach[es] or suggest[s]…a memory card with a plurality of unique position ports" as in the claims, Ex-1004 at 29-30 (8/7/2012 Notice of Allowance at 2-3), such features were indeed well-known in the art, as demonstrated by Diggs and Lin. It was

material error for the examiner have overlooked prior art references with these well-known features. This IPR, and the patent it challenges, epitomize the very purpose of IPRs "to weed out bad patent claims" that are being levied against the industry and burdening American companies' technological and economic contributions via "overpatenting." *Thryv, Inc. v. Click-To-Call Techs., LP*, 590 U.S. 45, 54 (2020).

The challenged claims' unpatentability, as amply demonstrated in the Petition, should be tried on the merits.

II. COMPELLING ECONOMIC INTERESTS FAVOR INSTITUTION

Compelling economic interests strongly support instituting this IPR. *See* Interim Processes for PTAB Workload Management (Mar. 26, 2025), 2-3 ("Workload Memo") (inviting parties to address "[c]ompelling economic, public health, or national security interests" as "relevant considerations" that "bear[] on the Director's discretion"). The technological contributions made by Micron, in the United States, and in this particular technological field, strongly favor Micron's IPR challenge. On the other hand, neither the challenged patent, nor its current owner Palisade, have made any such contributions.

Patent Owner Palisade Technologies, LLP ("Palisade") has no apparent business—it makes no products, offers no services, has no website, and appears to

have no meaningful existence apart from the underlying litigation against Micron.[2] Palisade came into existence *only one year ago* (in July 2024). Ex-1035 (Incorporation Records). It acquired the challenged patent the following month (August 2024), Ex-1036 (Assignment Records), and filed a patent infringement lawsuit against Micron two months later (October 2024), Ex-1037 (Original complaint). To date, Palisade's only publicly disclosed activity in its single year of existence has been filing a lawsuit against Micron. *See, e.g., Shenzen Tuozhu Tech. Co., Ltd. v. Stratasys Inc.*, IPR2025-00531, Paper 10 at 3 (P.T.A.B. July 17, 2025) ("Shenzen") (factors weigh against discretionary denial where "the challenged patents have never been 'commercialized, asserted, marked, licensed, or otherwise applied' in Petitioner's 'particular technology space.'") (quoting *Intel Corp. v. Proxense LLC*, IPR2025-00327, Paper 12 at 2–3 (Director June 26, 2025) ("Intel")).

In contrast, *Micron* has long been a leading contributor to the nation's technological growth, and has invested, and continues to invest, heavily in the American economy. At the forefront of U.S. innovation in semiconductor memory

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[2] Palisade, incorporated in Nevada, claims to have "its principal place of business in Gardnerville, Nevada," *Palisade Technologies, LLP v. Micron Technology, LLC* WDTX-7-24-cv-00262-20, Ex-1037 at ¶3. But the challenged patent's assignment record and Palisade's corporate registration both list a *residential* address in Gardnerville, Nevada—1468 James Rd., Gardnerville, NV 89460, Ex-1038 (Zillow PDF). Palisade's sole "officer," listed as "P Hardigan," appears to reside at this address. Ex-1035 (Incorporation Records). Micron is unaware of any business activity involving Palisade—whether in Nevada or anywhere else—other than filing the lawsuit against Micron in the Western District of Texas.

for over 40 years, Micron is a global leader in cutting-edge memory and storage solutions for critical technologies of AI, data center, client, automotive including electric vehicles (EVs), and IoT applications. Micron has over 50,000 employees, is headquartered in Idaho, and has further operations in California, Colorado, Georgia, Minnesota, Texas, and Virginia. Ex-1039 (Micron Corporate Profile); Ex-1056 (Micron Locations). Micron is the *only* company that fabricates semiconductor memory in the U.S., in Manassas, Virginia. Ex-1040 (Press Release: Micron Virginia Expansion).

Further, as recently announced by Micron and praised by the Trump Administration, Micron plans to invest $200 billion in U.S. semiconductor manufacturing and R&D, and to further expand memory chip production in the U.S. with a second chip fabrication facility in Boise, Idaho, and up to two more facilities in Clay, New York.[3,4] Collectively, these investments are anticipated to create as many as 90,000 additional jobs domestically—falling squarely in line with "the Trump Administration's push to restore America's manufacturing strength, advance America's role as a technology leader, and put American worker's first." Ex. 1042. Micron's latest investment in the American economy follows several years of

[3] Ex-1041 ("*Micron Announces Massive Chips Investment*, *Onshoring Production,*" The White House (June 12, 2025)).
[4] Ex-1042 ("*President Trump Secures $200B Investment from Micron Technology for Memory Chip Manufacturing in the United States*," U.S. Dept. of Commerce (June 12, 2025)).

bipartisan commitment to technological innovation to bolster the United States's economic and national security interests.[5]

As recognized by the Department of Commerce, advanced technologies such as AI, automotive, and next-generation wireless require DRAM memory products (*see* Ex-1042)—the very same products Palisades accuses. Ex-1021 (WDTX Amended Complaint), ¶2. The substantial investments in the American economy and American workers that Micron is currently making are threatened by Palisade's assertion of a patent that is reasonably likely to be found invalid in this proceeding, that has contributed nothing to the field, and that has not ever been, nor is likely to ever be, the basis for any actual product. For all of the reasons discussed above, compelling economic and national security interests heavily favor instituting Micron's IPR.

III. THE PARTIES DO NOT HAVE SETTLED EXPECTATIONS

Palisade argues that "settled expectations favor discretionary denial," solely on the basis of the patent having issued twelve years ago. Discretionary Denial Brief (Paper 11) ("DD-Brief"), 8-9. Palisade is wrong. The Workload Memo specifies that the Director may consider "[s]ettled expectations ***of the parties***...." Workload

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[5] *See* Ex-1043 ("*Department of Commerce Awards CHIPS Incentives to Micron for Idaho and New York Projects and Announces Preliminary Memorandum of Terms for Virginia DRAM Project to Secure Domestic Supply of Legacy Memory Chips*," (Dec. 10, 2024)).

Memo, 2 (emphasis added). In this case, neither of the parties have settled expectations regarding the challenged patent, despite the length of time from patent issuance.

As discussed above, apart from Palisade's pending WDTX lawsuit, Palisade has not identified any evidence that the '051 Patent has ever been "'commercialized, asserted, marked, licensed, or otherwise applied'" by itself, or any previous owner. *Shenzen* at 3 (finding "[t]his evidence weighs against Patent Owner's claim of strong settled expectations," despite the patent "ha[ving] been in force for approximately 10 years."); *Intel* at 2-3. There is also no evidence of any investment by Palisade towards practicing or commercializing the '051 Patent. Further, while the '051 Patent may be 12 years old, ***Palisade***—the present Patent Owner—has existed just barely over a year (formed in July 2024). And it acquired the '051 Patent only one month later (August 2024) and asserted infringement against Micron a mere two months later (October 2024). Before Palisade's acquisition, the patent had never been subject to any proceedings (either assertion of infringement or validity challenge). Thus, to the extent that there are any "settled expectations" at all by virtue of the age of the patent alone, they certainly were not accrued by Palisade (the actual party to this proceeding). While Palisade argues that "[t]he Board has found strong settled expectations for patents that have been in force for as little as six and seven years," DD-Brief, 8-9, every one of Palisade's cited cases involved a patent

owner who (itself, or through its related entity) had acquired the patent-at-issue before issuance.[6] Thus, Palisade provides no basis to substantiate its claim of "settled expectations" in these circumstances.

Micron likewise has no settled expectations for the patent. Micron had no knowledge of the '051 Patent before October 2024 when Palisade served its complaint. Ex-1055 (First Supplemental Response to Venue Topic No. 10), 13-14. Moreover, the '051 patent was assigned to SanDisk at issuance (and until August 2024), and Micron would never have had any reason to suspect that SanDisk, or anyone else, would assert the '051 Patent against it. For example, SanDisk has not filed a patent infringement litigation against Micron in over 20 years. Indeed, it has been publicly reported that Micron intended to acquire SanDisk in 2015, even though Western Digital ultimately did so.[7] And Western Digital (owner of SanDisk from 2015 through 2024), likewise has not filed a patent infringement litigation

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[6] *Kahoot! AS v. Interstellar Inc.*, IPR2025-00696, involved U.S. Patent No. 10,339,825, which was assigned to Interstellar prior to issuance (*see* Ex-1062); *Amgen, Inc. v. Bristol-Myers Squibb Co.*, IPR2025-00601 and -00602 (cited by Palisade) involved U.S. Patent Nos. 10,174,113 and 9,856,320, both of which were assigned to Bristol-Myers prior to issuance (*see* Ex-1063, Ex-1064); *Smartsky Networks LLC v. Gogo Business Aviation LLC*, IPR2025-00672, involved U.S. Patent No. 9,954,600, which was assigned prior to issuance to "Gogo, LLC"—parent of Gogo Business Aviation, LLC (*see* Ex-1065 (Assignment 1)); and *Tanklogix, LLC v. Sitepro, Inc.* IPR2025-00647, -00648, and -00649 (cited by Palisade), involved three patents which were assigned prior to issuance to Amplisine Labs, later renamed SitePro (*see* Ex-1066, Ex-1067, Ex-1068).

[7] *See* Ex-1058 ("Western Digital Completes Acquisition of SanDisk, Creating a Global Leader In Storage Technology," (May 12, 2016)).

against Micron. Instead, Western Digital and Micron have been engaged in a number of business and strategic partnerships over the years, including under the recent CHIPS legislation.[8] Moreover, Palisade asserts infringement of the ’051 patent by Micron’s Crucial X6 and later generation products, but Micron did not introduce these products until August 2020. Ex-1053 (051 Inf. Cont., App. B); Ex-1054 (Crucial X6 Press Release). Additionally, PGR has never been available on the ’051 patent, based on its issue date. 35 U.S.C. § 321. But, upon learning of this patent and Palisade’s assertion of it, Micron promptly recognized that the claims are directed to obvious subject matter. Micron thus prepared and filed this IPR, well before the statutory deadline to do so. 35 U.S.C. § 315(b). Accordingly, there are no “settled expectations” that warrant discretionary denial.

Additionally, any alleged expectations on the part of Palisade are misplaced in view of material errors that occurred during prosecution. *See, e.g.*, *Xencor, Inc. v. Merus N.V.*, IPR2025-00604 and -00605, Paper 12 at 3 (P.T.A.B. July 17, 2025) (“Xencor”) (finding material error where, “[d]uring prosecution, the patent examiner indicated that the claims were being allowed because ‘the prior art does not teach or suggest’” a claim feature, but “Petitioner provides persuasive evidence that the Office erred in a manner material to the patentability of the challenged claims by

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[8] *See* Ex-1057 (“Micron and Western Digital: The future of the national semiconductor technology center”).

overlooking the teachings of Lazar."); *see also Anthony, Inc. v. Controltec, LLC*, IPR2025-00559 and -00636, Paper 9 at 2 (P.T.A.B. July 16, 2025) ("Anthony") (similar). It has been a feature of Patent Law since 1981 that the validity of an issued patent is subject to further review by the Patent Office at any time to correct errors during examination. *Bayh-Dole Act*, Pub. L. No. 96–517, 94 Stat. 3015 (1980); *In re Baxter Int'l, Inc.,* 678 F.3d 1357, 1365 (Fed. Cir. 2012) (Patent validity may be challenged even after a district court case: "However, the fact is that Congress has provided for a reexamination system that permits challenges to patents by third parties, even those who have lost in prior judicial proceedings."). Here, the examiner materially erred when allowing these claims, so there can be no settled expectations based on them. *See Anthony* at 2-3 (denying request for discretionary denial for "challenged patents have been in force for approximately eighteen and seventeen years" where "Petitioner appears to show a material error by the Office.").

Specifically, the patent examiner stated that "a thorough search … has been conducted," but that "[t]he prior art searched as investigated in the database and domains does not fairly teach or suggest the teaching of a memory card with a plurality of unique position ports; as disclosed by the following claimed subject matter" and bolded for emphasis the "memory," "housing," and both "wherein" limitations of then-pending claim 8. Ex-1004 at 29-30 (8/7/2012 Notice of Allowance at 2-3). However, the Petition thoroughly demonstrates that the Diggs

and Lin prior art references, which should have been found and applied if a "thorough search" had actually occurred, amply teach and suggest the exact features cited by the examiner as the basis of his allowance. And, as discussed in further detail in Section V below, Palisade fails to undermine the merits of those grounds. It was material error for the examiner not to have discovered and applied these references, which a simple search for relevant art would have uncovered. Accordingly, the examiner erred in his search and investigation, causing him to overlook the teachings of at least the Diggs and Lin prior art references, and to erroneously allow the claims based on features that were well known in the art. This error was material to the patentability of the '051 patent because, at the very least, the examiner would have issued rejections over Diggs and Lin. *Xencor* at 3; *Anthony* at 2.

IV. THE *FINTIV* FACTORS FAVOR INSTITUTION

It would be a miscarriage of justice to deny this IPR under *Fintiv*. Palisade's assertions that "[t]he district court will address the same validity issues raised by the Petition (and more) before the Board is scheduled to reach a final decision if *inter partes* review is instituted" is untrue. DD-Brief, 18-19.

This IPR challenges 16 claims of the '051 patent (Claims 1-2, 4-8, 16-17, 20-21, and 23-27)—*three more claims* than are asserted against Micron. Micron has filed another IPR Petition against another patent asserted in district count, and the

statutory window to file IPRs on the remaining asserted patents remains open. And Micron's motion to transfer venue from the Western District of Texas remains pending.

Even assuming the case remains in WDTX, Palisade will certainly drop more Asserted Claims before any trial takes place, as the District Court's standing order urges Plaintiffs to "***significantly*** narrow[] the number of claims asserted" before fact discovery closes. Ex-1044 (Counts WDTX Standing Order), 7 (emphasis added). Thus, if Micron's IPR is never considered on its merits, many demonstrably unpatentable claims will remain in force for Palisade to harass its next target. Denying Micron its opportunity to show the Board why these claims should be cancelled and to prevent further vexatious litigation would be a public disservice and contrary to the purpose of the AIA.

Faced with Palisade's assertion of weak patents, Micron should not be denied the opportunity to avail itself of an alternative forum that is faster, cheaper, specialized, and more efficient than district court to defend itself against those patents. Indeed, that is the very purpose of *inter partes* review. "The framers of the AIA intended for IPR to serve as a faster, less costly alternative to district court litigation." Ex-1045 (Congressional Research Service, *The Patent Trial and Appeal Board and Inter Partes Review*, R48016 (May 28, 2024), 13. "Congress's stated aim when creating IPR and PGR was to improve patent quality by providing a more

efficient means to adjudicate patent validity issues." *Id.*, pdf p. 2. "From the perspective of a person accused of patent infringement (or worried about being sued), PTAB procedures are often more advantageous than federal court litigation in that they are faster, cheaper, and use a lower standard of proof." *Id.*[9]

Proper consideration of the *Fintiv* factors weighs heavily in favor of institution.

A. Factor 1: The Board Should Not Speculate on a Stay

Palisade asserts "[t]his factor weighs against institution because the Petitioners waited seven months into the District Court Proceeding to file their Petition, and they have not requested a stay of that case." DD-Brief, 9. Palisade then goes on to speculate as to whether a stay would be granted based on Western District of Texas cases. DD-Brief, 9–13. Palisade glosses over important context: Micron has filed a Motion to Transfer Venue to the District of Idaho, or in the alternative, to the Austin Division of the Western District of Texas. Further, while Micron has thus far filed IPRs in two of the five asserted patents (DD-Brief, 11), the statutory window to file IPRs on the remaining asserted patents remains open. Micron can move to stay afterward—either in Western Texas, or potentially, the District of Idaho.

[9] "By statute, IPRs and PGRs are supposed to reach a final determination no later than one year after PTAB decides to institute the proceeding," which is "more streamlined than civil litigation, with average legal costs typically in the hundreds of thousands of dollars (as opposed to millions)." Ex-1045 at pdf p. 2.

Given that circumstances like these often remain unresolved after parties file an IPR, it is unsurprising that the Board has consistently refused to speculate on future stays.[10] Further, Palisade's allegation that Micron's "four grounds are weak," DD-Brief, 13, is baseless for the reasons discussed in Section V below.

Accordingly, the Board should decline Palisade's invitation to speculate on whether a stay would be granted, as a basis to discretionarily deny this Petition.

B. Factor 2: The Trial Date Is Uncertain

Fintiv factor 2 likewise does not warrant discretionary denial.

While Palisade emphasizes that the Western District of Texas trial "is scheduled to begin on October 5, 2026," DD-Brief at 13, Palisade glosses over the many uncertainties regarding that scheduled date.

First, Micron's motion to transfer venue from WDTX remains pending, with venue-related discovery having recently completed. If that motion is granted, any trial date will be vacated and Palisade's arguments regarding this factor evaporates.

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[10] *See, e.g., Home Depot U.S.A., Inc. v. Sec. Tech., LLC*, IPR2024-01420, Paper 12 at 43-44 (P.T.A.B. Mar. 24, 2025) ("If Petitioner were to file a motion to stay in the EDTX Litigation, we decline to speculate how the district court would rule on such a motion."); *Ericsson Inc. v. XR Commc'ns LLC*, IPR2024-00868, Paper 8 at 28 (P.T.A.B. Dec. 13, 2024) (same); *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 15 at 12 (P.T.A.B. May 13, 2020) (same); *Sand Revolution II, LLC v. Cont'l Intermodal Group-Trucking LLC*, IPR2019-01393, Paper 24 at 7 (P.T.A.B. June 16, 2020) (informative) ("[W]e will not attempt to predict how the district court…will proceed because the court may determine whether or not to stay any individual case…based on a variety of circumstances and facts beyond our control and to which the Board is not privy.").

Second, even assuming this case remained in WDTX, this factor still would not warrant discretionary denial. The scheduled October 5, 2026 trial date is merely two months before the expected final written decision if this IPR were instituted—December 16, 2026. However, the scheduled trial date is doubtful for multiple reasons. Judge Counts (who is assigned to the case) appears to have ***three other trials*** scheduled on October 5, 2026. Ex-1060. While Palisade speculates that trial in this case will begin as scheduled, four trials certainly cannot proceed before the same judge on the same date. In addition, as the Western District of Texas has continued to grow more congested with patent case filings, the latest Federal Court Management Statistics show that the median time to trial in WDTX is actually 32.8 months as of June 30, 2025. *See* Ex-1046 (June 30, 2025 Statistics), 37. Following these statistics, trial for the present litigation (filed October 16, 2024) would *not* take place October, 2026, but would instead begin July 2027—nearly ***seven months after the FWD*** if IPR were instituted here.

Even if the notional trial date (October 5, 2026) were credited, this would not compel denial. Although the Board's FWD is expected approximately two months after the as-scheduled trial date, this factor is not determinative and "is not considered in isolation, but holistically along with other factors." *Facebook, Inc. v. USC IP P'Ship*, IPR2021-00034, Paper 13 at 11 (P.T.A.B. Apr. 30, 2021). The

Board has previously instituted proceedings for which the duration between a scheduled district court trial and subsequent FWD was the same or even longer.[11]

Moreover, due to timing of post-trial briefing and decisions, a final district-court judgment will generally come about four months after a jury verdict, so the proper comparison should consider when the district court's final judgment will issue and the timing of the Board's FWD, for an apples-to-apples comparison. The Board has considered this statistic in the *Fintiv* analysis, noting: "that a jury trial may occur in the district court before any Final Decision would be due here does not guarantee the entry of final judgment by the district court" in that same timeframe, "as the district court litigation may still need to continue with a damages trial and post-trial motions." *See, e.g., Provisur Techs., Inc. v. Weber Food Tech. GmbH*, IPR2024-00269, 2024 WL 2978288, at *12 (P.T.A.B. June 13, 2024) (concurrence)

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[11] *See, e.g., Shenzhen Tuozhu Technology Co., Ltd. v. Stratasys, Inc.,* IPR2025-00438, -00531, -00532, -00585, and -00611 Paper 10 at 3 (P.T.A.B. July 17, 2025) (trial 4 months before FWD, but patent never commercialized, and "the Board is better suited to review a large number of patents involving diverse subject matter."); *Zhuhai CosMX Battery Co., Ltd. v. Ningde Amperex Tech. Ltd.*, IPR2025-00385, -00389, -00405, -00431, and -00432, Paper 9 at 2 (P.T.A.B. July 2, 2025) (trial 1-2 months before the FWDs); *Tesla, Inc. v. Intell Ventures II LLC*, IPR2025-00217, -00219, -00220, -00221, -00222, and -00339, Paper 9 (P.T.A.B. June 13, 2025) (trial 2 months before the FWD); *Microsoft Corp. v. Partec Cluster Competence Center GMBH*, IPR2025-00318, Paper 9 at 3 (P.T.A.B. June 12, 2025) (trial 2 months before the FWD, but "the Petitioner appears to show a material error by the Office and it is an appropriate use of Office resources to review the potential error.").

(citation omitted).[12] Accordingly, following a potential trial in WDTX, the many months that it will take for Judge Counts to evaluate post-trial briefing and issue a final judgment must also be accounted for in evaluation of this factor.

Therefore, this factor weighs against discretionary denial.

C. Factor 3: There Is Significant Work Remaining

This factor weighs against discretionary denial because "a significant portion of work remains to be done in the district court proceeding." *Protect Animals With Satellites LLC v. OnPoint Sys., LLC*, IPR2021-01483, Paper 11 at 14-15 (P.T.A.B. Mar. 4, 2022).

Palisade's assertion that "[t]he district court and the parties have already invested significant time and resources," DD-Brief, 25, is misleading. Fact discovery has not yet opened in this case. Ex-1047 (WDTX Scheduling Order), 3. The limited discovery to date has focused on Micron's motion to transfer venue from the Western District of Texas—which remains pending.

Further, the parties have only just recently completed claim-construction briefing, and the Court has yet to hold a *Markman* hearing; expert discovery does

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[12] *See also id.* at *6 ("post-trial briefing…could be extensive, given the number and variety of issues in that proceeding" and "delay final judgment"); *Microchip Tech. Inc. v. Bell Semiconductor, LLC*, IPR2021-00147, Paper 20 at 9 (P.T.A.B. May 14, 2021) (considering for factor two the proximity of a FWD issuing to "conclusion of the district court trial (including post-trial briefing that typically takes 1-2 months)"); *Microchip Tech. Inc. v. Bell Semiconductor, LLC*, IPR2021-00148, Paper 19 at 11 (P.T.A.B. May 14, 2021) (same).

not open for another eight months (May, 2026); and dispositive motions are not scheduled until July 2026. *Id.*, 3-4. If Micron's motion to transfer is granted, the case schedule and trial date will further be adjusted. The Board has declined to discretionarily deny IPRs even where the parallel litigation has progressed farther than in this case.[13]

Therefore, this factor weighs against discretionary denial.

D. Factor 4: The IPR is a "True Alternative" to the District Court Proceeding

1. Micron Properly Preserved All Invalidity Contentions, and Several Challenged Claims Are Not Asserted

Palisade complains that "[a]ll references relied upon in the Petition are also relied upon by Petitioner in the district court." DD-Brief at 16. This is a red herring. Micron's IPR petition and invalidity contentions responded to the claims ***that were asserted by Palisade*** in the district court, where—under Judge Count's Standing Order—Micron had an obligation to disclose every single invalidity theory that it

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[13] *See, e.g., PNC Bank, N.A. v. United Servs. Auto. Ass'n*, IPR2022-00075, Paper 21 at 9-12 (P.T.A.B. June 13, 2022) ("We conclude that the minimization of overlap and the strength of the merits presented in the Petition outweigh the upcoming trial date and investment" where "claim construction, expert discovery, and dispositive motions will be completed before a decision on institution is expected."); *AGIS Software Dev. LLC v. Google LLC*, No. 2:19-CV-00359-JRG, 2021 WL 465424, at *3 (E.D. Tex. Feb. 9, 2021) (Judge Gilstrap noting that even "with discovery complete, pretrial briefing submitted, and jury selection pending—***there remain significant resources yet to be expended by the parties***, including at the pretrial conference and preparations leading up to an actual trial of this case") (emphasis added).

may possibly assert in the district-court litigation, within weeks of Micron's filing of this IPR, and well before the PTAB would render its decision whether to institute the IPR. Moreover, the very purpose of disclosing invalidity contentions early in the litigation is for the parties to provide notice of and preserve their right to make arguments, not to set out the exact arguments that will ultimately be presented at trial, which happens much later. Thus, the fact that Micron was obligated under the standing order to identify all possible prior art to preserve its defenses should not be held against its IPR.

Moreover, the proper consideration is whether there are claims that this IPR challenges that will never be addressed by the district court. Here, there are several such claims. Micron's IPR addressing the '051 Patent covers ***three additional claims***—claims 7, 20 and 26—that ***will not be addressed*** by the district court. Ex-1048 (Palisade Infringement Contentions), 2. Claims 7, 20, and 26 will only be addressed by the Board. This fact, coupled with Micron's *Sotera* stipulation, ensures that this IPR is a "true alternative" to address issues that will not, and cannot, be addressed elsewhere. *Palo Alto Networks, Inc. v. Centripetal Networks, Inc.*, IPR2021-01149, Paper 10 at 10-11 (P.T.A.B. Feb. 22, 2022).

This petition is thus a "true alternative" to a district court litigation that would not resolve all of the parties' validity disputes.

2. Micron's Sotera Stipulation

Micron filed a *Sotera*-type stipulation in this matter. Ex-1034 ("[If instituted,] Defendants will not pursue as to the challenged claims any ground raised or that could have been reasonably raised in the IPR in the above-captioned district court case."). Recent USPTO decisions and FAQs that suggest this is no longer sufficient likely violate due process, are arbitrary and capricious, involve improper substantive rulemaking, and do not respect Congress's legislative choices in passing the AIA.

Palisade argues that Micron's *Sotera* "stipulation does not ensure that this proceeding would be a 'true alternative' because [its] product and system art would remain at issue in the District Court Proceeding." DD-Brief, 16-17. As an initial matter, such stipulations ***were dispositive*** between Director Vidal's June 21, 2022 guidance memorandum ("the Vidal Memo")[14] until February 28, 2025, when the USPTO withdrew the Vidal Memo. Micron relied on the Vidal Memo's binding guidance in conducting its litigation strategy knowing it could seek safe harbor using the *Sotera* stipulation. Although this IPR was filed after the Vidal Memo was

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[14] USPTO, "Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation" (June 21, 2022), available at https://www.uspto.gov/sites/default/files/documents/interim_proc_discretionary_denials_aia_parallel_district_court_litigation_memo_20220621_.pdf, at 3 ("[T]he PTAB ***will not*** ***discretionarily deny institution*** in view of parallel district court litigation where a petitioner presents a stipulation not to pursue in a parallel proceeding the same grounds or any grounds that could have reasonably been raised before the PTAB.") (emphasis added).

withdrawn, Micron had already relied on it when conducting its prior art search and timing its petition relative to other litigation priorities. Accordingly, in consideration of Micron's due process rights, the withdrawal of the Vidal Memo should not only not be applied retroactively to petitions filed *before* the withdrawal date (Feb 28, 2025) but also to petitions (like the present IPR) filed within a reasonable period shortly after the withdrawal date. *See In re SAP Am., Inc.*, Petition for Writ of Mandamus at 14-15, No. 25-132 (Fed. Cir. June 13, 2025) (Ex-1061); *see also* Petitioner's Request for Rehearing of Order Granting Director Review, *Motorola Sols., Inc. v. Stellar, LLC*, IPR2024-01205, Paper 20 at 5-10 (P.T.A.B. Apr. 28, 2025) ("Motorola Rehearing Request").

Further, consistent decision-making requires that *Sotera*-stipulations be considered sufficient here. *Sotera* is still precedential and dictates that such a stipulation "weighs ***strongly in favor of not exercising discretion***…under 35 U.S.C. §314(a)." *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 19 (Dec. 1, 2020) (precedential) (emphasis added). Many recent decisions granting institution of IPR petitions confirm that *Sotera* stipulations continue to be valid, enforced, and given weight in the *Fintiv* analysis for factor 4.[15] And, between

[15] *See, e.g., Samsung Elecs. Co. v. Harbor Island Dynamic LLC*, IPR2024-01403, Paper 9 at 39 (P.T.A.B. Mar. 24, 2025); *Samsung Elecs. Co. v. Harbor Island Dynamic LLC*, IPR2024-01405, Paper 9 at 36 (P.T.A.B. Mar. 24, 2025); *Samsung Elecs. Co. v. Headwater Rsch. LLC*, IPR2024-01407, Paper 9 at 8 (P.T.A.B. Mar.

December 17, 2020, when *Sotera* was designated precedential by then-Director Iancu and the June 21, 2022 Vidal Memo, the vast majority of Board decisions did not exercise discretion to deny institution based on *Fintiv*.[16] Recently promulgated FAQ 15 from the PTAB's FAQs for Interim Process for PTAB Workload Management, incorporated in Section I.D of the "Interim Director Discretionary Process" page[17] is inconsistent with long-standing precedent:

20, 2025); *SAP Am., Inc. v. Cyandia, Inc.*, IPR2024-01433, Paper 13 at 12 (P.T.A.B. Apr. 7, 2025); *MediaTek Inc. v. ParkerVision, Inc.*, IPR2025-00030, Paper 9 at 21-22 (P.T.A.B. Mar. 31, 2025); *Home Depot v. Sec. Tech, LLC*, IPR2024-01420, Paper 12 at 48 (P.T.A.B. Mar. 24, 2025); *Home Depot USA, Inc. v. RavenWhite Sec. Inc.*, IPR2024-01316, Paper 12 at 12 (P.T.A.B. Mar. 24, 2025); *Deltran USA, LLC v. The Noco Co.*, IPR2024-01219, Paper 8 at 18 (P.T.A.B. Mar. 19, 2025); *Palo Alto Networks, Inc. v. Croga Innovations Ltd.*, IPR2024-01421, Paper 8 at 12-13 (P.T.A.B. Mar. 14, 2025); *Canadian Solar Inc. v. Maxeon Solar PTE Ltd.*, IPR2024-01040, Paper 13 at 17 (P.T.A.B. Jan. 14, 2025).

[16] Of the 57 cases in which a *Sotera*-stipulation was filed during that time period, institution was granted in 52 cases. All five cases where institution was denied are distinguishable: four are the *Cisco v. Estech* cases, where there was an 11-month gap between trial and the FWD (IPR2021-00329, -00331, -00332, and -00333), and the last case is *Immersion Sys. LLC v. Midas Green Techs., LLC*, IPR2021-01176, Paper 16 at 16-17 (P.T.A.B Jan. 6, 2022), where the *Sotera*-stipulation was found insufficient because it was contingent upon completion of the IPR proceeding with a FWD and tied to an asserted likelihood of the court granting a stay in the litigation. *See also* Ex-1049 (Nathan Sportel, *Did Sotera Stipulations Solve the Fintiv Criticisms*, 21 Chicago-Kent J. Intell. Prop. (2022)).

[17] USPTO, "FAQs for Interim Processes for PTAB Workload Management," FAQ #15, available at https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management; USPTO, "Interim Director Discretionary Process," Section I.D, available at https://www.uspto.gov/patents/ptab/interim-director-discretionary-process.

> The Director will take into account whether the stipulation ***materially reduces overlap*** between the proceedings. ***Where the petitioner is relying on corresponding system art in a co-pending proceeding and/or several other invalidity theories, a stipulation may not be particularly meaningful*** because the efficiency gained by any AIA proceeding will be limited. (emphasis added)

But, assuming this is validly binding guidance under the APA (and Micron does not concede that it is), it cannot be reconciled with the letter or spirit of the still-precedential *Sotera* decision.

Micron's *Sotera* stipulation—indeed any correctly formulated *Sotera* stipulation—should be dispositive in most circumstances. Fundamentally, Micron has already agreed that it will not raise in district court any grounds that it raised or reasonably could have raised in the IPR.[18] The scope of the stipulation is coextensive with that of the estoppel statute by design. *Compare* Ex-1034 ("[If instituted,] Defendants will not pursue as to the challenged claims any ground raised or that could have been reasonably in the IPR in the above-captioned district court case.") *with* 35 U.S.C. §315(e)(2) ("Upon a final written decision, the petitioner may not assert invalidity] on any ground that the petitioner raised or reasonably could have raised during that inter partes review"). *Sotera* effectively brings IPR estoppel

[18] The '051 patent was never eligible for PGR.

forward to the point of institution. *See* Ex-1050 (Dana Nguyen, *IPR Estoppel's Evolving Landscape*, XV Nat'l L. Rev. 141 (Feb. 10, 2025)), 2 ("Sotera stipulations serve to assure [that], if the PTAB institutes the IPRs, the Patent Challenger will not pursue estopped invalidity theories in the district court as the parallel litigation proceeds.").

It is for this reason that the Board recognized that *Sotera* fully addresses the issue of overlap. *See Philip Morris Prods., S.A. v. RAI Strategic Holdings*, IPR2020-01094, Paper 9 at 22-23 (P.T.A.B. Jan. 25, 2021) (noting that "one way for a petitioner to ***avoid overlap***, inefficiency, and the possibility of conflicting decisions is to provide a [*Sotera*] stipulation. … Petitioner's decision ensures that an *inter partes* review is a '***true alternative***' to the ITC investigation.") (emphasis added). That is because grounds that include device and system art based on an on-sale bar or public use can ***never*** be reasonably raised in an IPR. *See* 35 U.S.C. §311(b) ("A petitioner in an inter partes review may request to cancel as unpatentable 1 or more claims of a patent…***only on the basis of prior art consisting of patents or printed publications***.") (emphasis added).

Therefore, by filing a *Sotera*-stipulation, Micron has already agreed to be bound to the full scope of statutory estoppel under §315(e)(2) upon IPR institution. Thus, contrary to Palisade's assertion, Micron's stipulation ensures that the IPR is a true alternative—as much as it can be under the statute. There is simply no

reasonable or sound basis for forcing Micron and others to consent to estoppel greater called for by than the AIA implementing statutes. Forcing parties to do so by suggesting so in new FAQs undermines the Congressional intent limiting the scope of IPR challenges that the Federal Circuit explained in the recent precedential decision *Ingenico, Inc. v. IOENGINE, LLC*, 136 F.4th 1354, 1365 (Fed. Cir. May 7, 2025) ("Congress intentionally limited an IPR's scope to invalidity challenges based on 'prior art consisting of patents or printed publications.'").[19]

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[19] *See also, e.g., Microchip Tech. Inc. v. Aptiv Servs. US LL*C, No. 1:17-CV-01194-JDW, 2020 WL 4335519, at *4 (D. Del. July 28, 2020) ("As the plain language of [35 U.S.C. §311(b)] makes clear, petitioners for IPR can only raise invalidity grounds based on patents and printed publications. They cannot raise physical device prior art."); *Singular Computing LLC v. Google LLC*, 668 F. Supp. 3d 64, 70 (D. Mass. 2023) ("A petitioner in an IPR proceeding cannot challenge the validity of a patent based on prior-art products or systems."); *Altria Client Servs. LLC v. R.J. Reynolds Vapor Co.*, No. 1:20-CV-472, 2022 WL 2757481, at *10 (M.D.N.C. July 14, 2022) ("The PTAB also did not have prior art products before it as this Court does because the PTAB may only base invalidity decisions on prior art patents and printed publications."); *Clearlamp, LLC v. LKQ Corp.*, No. 12-CV-2533, 2016 WL 4734389, at *9 (N.D. Ill. Mar. 18, 2016), *judgment entered*, 2016 WL 7013478 (N.D. Ill. Nov. 30, 2016) ("[U]nlike in district court litigation, products cannot be offered as prior art during inter partes review."); *Wi-LAN Inc. v. LG Elecs., Inc.*, 421 F. Supp. 3d 911, 922 (S.D. Cal. 2019) ("In an IPR, a petitioner is limited to challenging patent claims as invalid only on grounds 'that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications.' 35 U.S.C. § 311(b)."); *Netlist, Inc. v. Micron Tech., Inc.*, No. 2:22-CV-203-JRG-RSP, 2024 WL 402181, at *1 (E.D. Tex. Jan. 10, 2024), *report and recommendation adopted*, 2024 WL 387787 (E.D. Tex. Jan. 31, 2024) (same); *Gen. Access Sols., Ltd. v. Sprint Spectrum LLC*, No. 2:20-CV-00007-RWS, 2021 WL 5154085, at *3 (E.D. Tex. July 21, 2021) (same); *CliniComp Int'l, Inc. v. Athenahealth, Inc.*, No. A-18-CV-00425-LY, 2020 WL 7011768, at *2 (W.D. Tex. Oct. 28, 2020) (same).

Respectfully, suggesting Micron waive defenses beyond the statutory estoppel's requirement also does not make sense. Recent USPTO FAQ 15 stating that *Sotera*-stipulations may not be particularly meaningful is based on the misguided notion that such stipulations serve efficiency only if they "ensure that [the] IPR proceeding[] would be a '***true alternative***' to the district court proceeding." *Motorola Sols.*, IPR2024-01205, Paper 19 at 3-4 (granting Director Review). But, what "ensures" the IPR is a "true alternative" is now a moving target. For example, *Sotera* itself said its stipulation ensures that an IPR is a "true alternative." *Sotera*, IPR2020-01019, Paper 12 at 19 ("Accordingly, Petitioner's broad stipulation ensures that an *inter partes* review is a '***true alternative***' to the district court proceeding.") (emphasis added).

There is nothing new about district-court litigation that justifies the reasoning of FAQ 15 and *Motorola Sols*. *Sotera*-stipulations are as much a true alternative now as they were then. The new FAQs and Discretionary Process page undermine four years of *Sotera*-based precedent and stand to thwart Congressional intent by ensuring certain district courts are IPR-proof;[20] and this new "true alternative" requirement to have one forum and one forum only lacks any limiting principle. A

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[20] *See* Ex-1051 (Ryan Davis, *PTAB Ramps Up Fintiv Denials After Withdrawal of Memo*, Law360 (May 13, 2025)), 1 ("[T]he Patent Trial and Appeal Board has denied dozens of petitions by citing upcoming trials, mostly in the Eastern District of Texas.").

stipulation ensuring a "true alternative" to district court would force a would-be petitioner to not only stipulate away all prior-art defenses, as Motorola recently proposed (*see* Motorola Rehearing Request at 9-11 (offering to stipulate to no prior-art defense at trial)), but also to stipulate away all its statutory defenses, including §101 and §112, obviousness-type double patenting, and other non-statutory defenses, none of which can be raised in an IPR, leaving petitioners without any check on district-court plaintiffs.[21] To paraphrase the Supreme Court, Congress surely did not hide this elephant in the mousehole of §314(a)'s use of the word "may." *Cf. Whitman v. Am. Trucking Ass'ns, Inc.*, 531 U.S. 457, 468 (2001) (Scalia, J.).

The Federal Circuit has recently addressed the scope of estoppel and explained that it only applies to a petitioner's invalidity assertions in district court under §102 or §103 based on patents and printed publications, but does not preclude on-sale or public use assertions. *See Ingenico*, 136 F.4th at 1366–67. This refutes Palisade's criticisms that "Petitioners' [district court] invalidity contentions assert

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[21] *See* Ex-1052 (Brief of The National Retail Federation, The High Tech Inventors Alliance, et al., as Amici Curiae in Support of Apple and Reversal, *Apple Inc., v. Vidal*, No. 24-1864 at 22 (Fed. Cir. Aug. 12, 2024)), 22 ("A stipulation not to raise prior art in district court can badly skew damages awards—it allows a plaintiff to misrepresent an incremental invention as a pioneering one. It also tends to distort claim construction allowing a patent owner to advance broad constructions that it otherwise would avoid because they read on prior art.").

prior art systems (i.e., the Palm Tungsten T5 and Sony Walkman) that it alleges anticipate or render obvious, alone or in combination with other references, the asserted claims of the '051 Patent," and that "[t]he language of Petitioners' stipulation is deliberately intended to leave those combinations of publications with prior systems at issue [in] the District Court Proceeding." DD-Brief at 17-18; Ex-1059 (Micron Invalidity Contentions). The Federal Circuit's precedential decision makes clear that IPRs were never intended to supplant district-court invalidity grounds based on such system prior art, by design. *See Ingenico*, 136 F.4th at 1366–67.

Further, Micron's prior art systems are neither cumulative of, nor identical to, patents or printed publications that could have been raised in this IPR under §311(b). None of the prior art in this IPR is alleged to be describing the Palm Tungsten T5 and Sony Walkman. In the district court, Micron plans to present evidence relating to the prior art systems in the form of physical devices and witness testimony regarding how the device works. These types of evidence, which could not have been raised in the IPRs, are precisely the types of evidence that the ***courts*** consider in determining whether estoppel applies.[22]

[22] *See, e.g., Medline Indus., Inc. v. C.R. Bard, Inc.*, No. 17-cv-7216, 2020 WL 5512132 at *5 (N.D. Ill. Sept. 14, 2020) (Bard not estopped because its claim charts were "replete with photographs of the [] products themselves … as opposed to documents describing the products" so these were not "patent- or printed

Therefore, this factor weighs against discretionary denial.

E. Factor 6: The Petition's Merits Are Strong

The merits of the Petition are strong. As detailed in Section V below, Palisade provides *no basis* to suggest otherwise. Unable to attack the Petition on its merits, Palisade resorts to ignoring clear disclosures from the references and misstating the nature and extent of Micron's reliance on expert testimony.

V. THE PETITION'S MERITS ARE STRONG, AND PALISADE DOES NOT SHOW OTHERWISE

This IPR is strong, and Palisade fails to show otherwise. As a preliminary matter, Palisade's suggestion that an IPR ground is always weak unless it is based on anticipation (*see* DD-Brief at 19) is unsupported, and defies congressional intent in permitting Petitioners to challenge claims based on §103. 37 CFR §42.104; *see also Ingenico, Inc. v. IOENGINE, LLC*, 136 F.4th 1354, 1365 (Fed. Cir. 2025) (35 U.S.C. § 311 "makes clear" that §103 is available for IPR grounds). As shown below Palisade provides no basis to question the strength of the Petition's merits.

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publication-based invalidity theories in disguise"); *Clinicomp*, 2020 WL 7011768 at *2 (defendant not estopped where it "relie[d] extensively on non-public documents or information that Athenahealth necessarily could not have used in the IPR proceedings"); *Microchip Tech.*, 2020 WL 4335519, at *4 (Aptiv not estopped; "[Microchip] wants the Court to dig into the substance of Aptiv's references and determine that the physical devices do not add anything beyond the written references. Yet Aptiv's expert will testify that the combination is significant. The Court has no basis to disregard such testimony and disregard those references.").

A. The Diggs-Based Grounds Are Strong

Grounds 1-2 are based on Diggs, which was not considered by the Office during prosecution. Ground 1 (obviousness over Diggs) is strong because Diggs includes explicit disclosures that map to the features recited in the challenged claims. *See* Paper 1 ('051 Petition) at 22-51. Apart from misstating the manner in which the Petition relies on expert testimony (discussed below), Palisade offers *no reason* to question the strength of this Ground.

Ground 2 is likewise strong. It combines Diggs with Thorsten—another reference not considered during prosecution. This straightforward combination applies Thorsten's teaching of incorporating encryption and decryption functionality to memory cards, which was routine at the time of the alleged invention. *See id.* at 53-59.

B. The Lin-Based Grounds Are Strong

Grounds 3-4 are based on Lin, which (like Diggs and Thorsten) was not considered by the Office during prosecution. Ground 3 (obviousness over Lin) and Ground 4 (obviousness over Lin and Thorsten) are strong because they likewise include explicit disclosures that map to the claimed features. *See id.* at 60-99. As with Diggs, Palisade offers no reason to question the strength of the Lin-based grounds, other than misstating the Petition's reliance on expert testimony.

C. The Petition's Strong Grounds Are Appropriately Supported by Expert Testimony

Palisade's sole basis for attacking the strength of the Petition hinges on alleged improper use of expert testimony. As a preliminary matter, the Workload Memo lists "strength" of the challenge and "extent of the petition's reliance on expert testimony" as separate factors. Workload Memo at 2. The fact that Palisade conflates these factors signals its struggle to question the strength of the merits. Further, Palisade's criticisms regarding the Petition's use of expert testimony are baseless. Palisade mischaracterizes the Petition and turns a blind eye to the explicit disclosures of the cited publications.

For example, Palisade provides a laundry list of alleged instances of the Petition "fill[ing] holes in the references" with expert testimony. *See* DD-Brief at 19-25. Even a cursory review of the Petition shows this is false.

First, there are no "holes in the references" collectively cited in the Petition. Palisade only alleges there are holes by ignoring the references' explicit teachings that the Petition cites. Palisade cannot invent "holes" by pretending that explicit statements in the references and in the Petition do not exist.

Second, Palisade's allegation that Petitioners "heavily…rely on expert testimony" is likewise false. Petitioner properly relied on an "expert to explain the background knowledge of a person of ordinary skill in the art, and the expert provides citations to evidence in support of his statements in the required manner."

iRhythm Techs. v. Welch Allyn, Inc., IPR2025-00363, -00374, -00376, -00377, -00378, Paper 10 at 3 (Jun. 6, 2025) (citing *Xerox Corp. v. Bytemark, Inc.*, IPR2022-00624, Paper 9) (Aug. 24, 2022) (precedential)) (rejecting accusation of improper expert gap-filling, and finding "[t]his factor weighs *against* discretionary denial").

The following table shows that, in each of Palisade's alleged instances of expert gap-filling, Palisade simply ignores the evidentiary support cited in the Petition. Thus, Palisade's characterization of the Petition as resorting to "general knowledge" such as "expert testimony" and "common sense" in order "to supply a missing claim limitation," DD-Brief at 23-24, is untrue.

Alleged Instance of Expert "Gap-Filling" (DD-Brief at 20-23)	**Explicit Disclosures Ignored by Palisade**
Ground 1, element 1[preamble]: "A POSITA would have understood that a user that 'inserts' or 'detaches' the card does so with his hands, such that the memory card is 'handheld' while the user is holding it before or after such actions."[23]	Palisade ignores the Petition's citation to explicit descriptions from Diggs, including that its memory card is "portable" and "detachable" and may be "inserted into a PC card slot." These disclosures sufficiently indicate to a POSITA that the disclosed card is "handheld" according to the preamble of claim 1. ***Petition at 23-24 (citing Diggs ¶¶10, 49, 55)***; Ex. 1002, ¶¶105-106.
Ground 1, element 1[a]: "while Diggs does not explicitly identify the electrical pins associated with its physical	Palisade ignores the Petition's citation to Diggs, as explicitly disclosing "a USB mini-A connector." The Petition

[23] All original emphases omitted.

connectors (i.e., ports), it was well-understood to POSITAs that the USB mini-A standard is implemented with a set of five pins.”	further cites the USB mini-A Specification’s explicit disclosure of pins, confirming a POSITA’s understanding that Diggs discloses the claimed “first set of pins.” ***Petition at 26-27 (citing Diggs ¶55 and Ex. 1025 at 10);*** Ex. 1002, ¶¶109-110.
<u>Ground 1, element 1[c]</u>: “Further, a POSITA would have understood that Diggs’s second set of pins would have the signal assignment shown in the following table, from the IEEE-1394 four-pin Specification (Ex-1029). Ex-1002 ¶115.” <u>Ground 1, element 1[c]</u>: “It was well-understood by POSITAs that the ‘four-pin Firewire connector’ associated with the IEEE-1394 carries only data, not power. Ex-1002 ¶115, n.4; Ex-1029 at 27.”	Palisade ignores the Petition’s citation to Diggs, as explicitly disclosing “an IEEE-1394 four-pin connector.” The Petition further cites the IEEE-1394 four-pin Specification’s explicit disclosure of pins, confirming a POSITA’s understanding that Diggs discloses the claimed “second set of pins.” ***Petition at 30-32 (citing Diggs ¶55 and Ex. 1029 at 27, 35)***; Ex. 1002, ¶¶113-115.
<u>Ground 1, claim 7</u>: “Pursuant to this teaching, a POSITA would have understood that an alternative embodiment would have been the below modification of Diggs’s Figure 2, which shows an ‘SD Device Controller’ and corresponding host interface, in place of IEEE-1394 controller 231 and interface 221. Ex-1002 ¶132.” <u>Ground 1, claim 7</u>: “A POSITA would have understood that, in the above implementation of Diggs’s memory card, physical connector 234 and corresponding bus structure 237 would be Secure-Digital compliant, and would	Palisade ignores the Petition’s citation to Diggs, as explicitly disclosing that its storage system may be “SecureDigital” (or “SD”) compliant. Thus, Micron’s modification of Diggs’ Figure 2, and additional arguments regarding a Secure-Digital port, are based on Diggs’ explicit disclosures. ***Petition at 43-44 (citing Diggs, ¶60)***, Ex. 1002, ¶¶132-133.

therefore collectively form an 'SD port.'"	
<u>Ground 1, element 16[c]</u>: "Based on these descriptions, and as reflected in Figure 2, a POSITA would have understood that during a 'read' operation, data arbiter 140 would determine whether the data accessed from the memory 150 'is to be transmitted via the USB port' (i.e., through USB controller 230 and bus structure 236) 'or I/O port' (i.e., through IEEE-1394 controller 231 and bus structure 237). Ex-1002 ¶137."	Palisade ignores the Petition's citation to Diggs, which explicitly discloses not only a data arbiter 140 and memory 150, but various functions associated with a read operation in connection with those components, confirming a POSITA's understanding that Diggs discloses element 16[c]. ***Petition at 47 (citing Diggs, ¶¶ 29, 33, 34, 40)***, Ex. 1002, ¶137.
<u>Ground 1, Claim 23</u>: "While not explicitly shown in Figure 7, a POSITA would have understood that the respective sets of pins associated with the USB port and I/O port—i.e., the five USB mini-A pins, and the four IEEE-1394 Firewire pins—would have been implemented such that they are parallel to one another. Ex-1002 ¶¶141-142."	Palisade ignores that the Petition's analysis is corroborated not only by Diggs's explicit disclosure of USB mini-A and IEEE-1394 ports along with their respective orientations, but also by explicit citations to receptacle interface drawings in the USB mini-A and IEEE-1394 specifications. ***Petition at 48-49 (citing Diggs, ¶55, Fig. 7, Ex. 1025 at 21, and Ex. 1029 at 35***), Ex. 1002, ¶¶141-142.
<u>Ground 3, element 1[preamble]</u>: "A POSITA would have understood that a user that 'inserts' or 'removes' the card does so with his hands, such that the memory card is 'handheld' while the user is holding it before or after such actions. Lin's memory card includes a housing (see Element 1[f], infra), which a POSITA would have recognized as protecting internal components from dust, moisture, or impact, thus further	Palisade ignores the Petition's citations to Lin, as explicitly describing that its memory card is "portable," "is inserted," and is "removable." These disclosures sufficiently indicate to a POSITA that the card is "handheld" according to the preamble of claim 1. ***Petition at 60-62 (citing Lin ¶¶2, 21, 29, 31, 106, Fig 1A, 6A);*** Ex. 1002, ¶¶166-167.

confirming the 'handheld' nature of the card. Ex-1002 ¶166."	
Ground 3, element 1[d]: "A POSITA would have understood Lin's 'MMC device controller 34' is 'I/O controller circuitry' because a controller operates through circuitry. Ex-1002 ¶178."	Palisade ignores the Petition's citation to Lin, as explicitly disclosing an "MMC device controller" and associated functions involving data input and output (i.e., "I/O"). These explicit disclosures corroborate a POSITA's understanding that Lin discloses element 1[d]. ***Petition at 69-70 (citing Lin, ¶¶ 31, 33, Fig. 1C***), Ex. 1002, ¶¶ 177-179.
Ground 3, claim 6: "In the memory storage context, a POSITA would have known that data transfer "between" a memory storage and a host device entails both read and write operations. Ex-1002 ¶¶202-203."	Palisade ignores the Petition's citation to Lin, as explicitly describing "control[ling] data transfer between" a host and memory. These explicit disclosures corroborate a POSITA's understanding that Lin discloses claim 6. The Petition also cites explicit disclosures from the Chen reference, as further corroborating this. ***Petition at 82-84 (citing Lin, ¶¶31, 33, Fig. 1A and Chen, ¶2)***, Ex. 1002, ¶¶202-203.
Ground 3, claim 7: "A POSITA would have understood that the above implementation of Lin's memory card features an 'SD port' instead of the MMC port discussed for Element 1[c] above, and uses a different pin assignment for the SD mode than for the USB mode, such that one or more pins assigned to one mode is not assigned to the other.	Palisade ignores the Petition's citation to Lin, as explicitly disclosing that its "invention is equally applicable" to the "SD mode[]" (or SecureDigital mode). The Petition further cites the Secure Digital specification to corroborate the analysis. ***Petition at 84-85 (citing Lin, ¶29, Fig. 1C and Ex. 1028 at 12***), Ex. 1002, ¶¶132-133.

As detailed above, none of the alleged instances of gap-filling raised by Palisade require the Board to assess the correctness of Micron's expert testimony

(Ex. 1002) in order to reject Palisade's arguments as unfounded. The Board need only look at the statements in the prior-art references themselves that are cited and quoted in the Petition, the reasoning spelled out in the Petition that Palisade ignored and failed to address, and black-letter obviousness law, all of which compel the conclusion that there is nothing nonobvious about the challenged claims.

* * * *

Palisade's merits arguments are exceedingly weak. The Petition's grounds are strong, and merit institution.[24]

Respectfully submitted,

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[24] Micron reserves the right to challenge the March 26, 2025 Interim Process for PTAB Workload Management at least because it is legally invalid as (1) exceeding the Director's authority, (2) arbitrary and capricious, and (3) adopted without notice-and-comment rulemaking.

CERTIFICATE OF WORD COUNT

Under 37 C.F.R. §42.24(d), Petitioner certifies that this petition includes 8,996 words, as measured by Microsoft Word, exclusive of the table of contents, mandatory notices under §42.8, certificates of service, word count, and exhibits.

CERTIFICATE OF SERVICE

I hereby certify that on September 16, 2025, I caused a true and correct copy of the foregoing PETITIONERS' OPPOSITION TO PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL to be served electronically on counsel for Patent Owner at the following addresses:

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