

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

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

Petitioners,

v.

PALISADE TECHNOLOGIES, LLP,

Patent Owner.

Case IPR2025-01008

Patent No. 8,327,051

**PATENT OWNER'S RESPONSE TO PETITIONER'S REQUEST FOR
DIRECTOR REVIEW**

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Introduction.

The Board correctly denied the Petition. Paper No. 15 (“Decision”). Nevertheless, Petitioners Micron Technology, Inc. and Micron Semiconductor Products, Inc. (collectively, “Petitioners” or “Micron”) have submitted three Requests for Director Review (Paper Nos. 17-19, collectively, the “Requests”). The Requests rely on deceptive, incorrect, and irrelevant arguments that Micron presents by flouting the Board’s rules.¹ Micron’s tactics demonstrate Micron’s desperation to avoid paying Patent Owner the royalties it owes on valuable and correctly issued patents.

Flouting the Rules.

Micron’s First Request improperly introduced and relied on new evidence and argument, including 22 new exhibits each, which are pervasively cited throughout the First Request. Exs. 1070-1091; *see, e.g.*, Paper 17 (“First Request”) at 1, 2, 4, 6-8, 11, 12 (citing new exhibits). Micron did not seek authorization to introduce any new evidence in its First Request, much less rely on 22 new exhibits, until after Patent Owner notified Micron of its rule violation.

¹ Those kinds of arguments appear throughout Micron’s Request. Patent Owner does not waive its ability to challenge any of those arguments not addressed here.

Micron attempted to correct its mistake by filing its Second Request. Paper 18 (“Second Request”). But the Second Request still included and relied on new evidence and argument. Micron simply replaced the new exhibits with citations to hyperlinks where those exhibits can be found. *See, e.g.*, First Request at 1 n.2 (citing new exhibits Ex-1080; Ex-1079; Ex-1081; Ex-1082); Second Request at 1-2 n.2 (replacing the citations to Ex-1080; Ex-1079; Ex-1081; and Ex-1082 with four counterpart hyperlinks to those exhibits).

Now Micron has filed a Third Request. Paper 19 (“Third Request”). The First Request and Third Request are essentially identical, but the Third Request has removed its citations to the new exhibits. The Third Request still asserts the purported facts found in those new exhibits and still makes the same new arguments based on those exhibits as the First Request. For example, in the First Request, Petitioner cites to Patent Owner’s district court Complaint (“EX-1083 ¶17”) after its incorrect statement that Patent Owner “seeks an injunction barring Micron from manufacturing its dynamic random-access memory (DRAM) in the United States”. First Request at 2. The same incorrect statement appears in the Third Request but without citation to new Exhibit 1083. Third Request at 2. As another example, the First and Third Requests share the following quotation, “an investment in Micron will strengthen U.S. economic and national security by bolstering a reliable domestic supply of the leading-edge DRAM chips.” First Request at 4; Third Request at 4.

The First Request cites Ex-1070 for that quotation, but the Third Request has no citation for that quotation. *Id.* Third Request at 4. This scenario repeats throughout the Third Request.²

² See, e.g., Third Request at 1 (same statement from First Request at 1, but without its footnote citation to Ex-1080; Ex-1079; Ex-1081; Ex-1082); *id.* at 3 (same statement from First Request at 3-4, but without its inline citations to Ex-1076; Ex-1077; Ex-1078); *id.* at 4 (same statement from First Request at 4, but without its inline citation to Ex-1070); *id.* at 4 (same statement from First Request at 4, but without its inline citation to Ex-1086; Ex-1087; Ex-1088); *id.* at 6 (same and very similar statements from First Request at 6-7, but without its three citations to Ex-1089); *id.* at 7 (same statement from First Request at 7, but without its citation to Ex-1072); *id.* at 7 (same statement from First Request at 7-8, but without its citation to Ex-1091); *id.* at 7-8 (similar statement from First Request at 8, but without its citation to Ex-1084); *id.* at 8 (same statement from First Request at 8, but replacing its citation to Ex-1085 with a general citation “*Memo to All ...*”); *id.* at 10 (same statement from First Request at 10, but without its citation to Ex-1090); *id.* at 11 (same statement from First Request at 11, but without its citation to Ex-1073); *id.* at 11 (same statement from First Request at 11, but without its citation to Ex-1074); *id.* at 11-12 (same statement from First Request at 12, but replacing its citation to Ex-1075 with a general citation “*Exec. Order ...*”).

Because the First Request relied so pervasively on new Exhibits 1070-1091, and because the Third Request and the First Requests are essentially identical but with exhibit citations removed, Micron did not abandon any of its improper new arguments and evidence in the Third Request. Instead, its new evidence is diluted to unsupported claims of fact, upon which Micron still relies to make its new argument. As such, Micron did not correct its First or Second Requests. Whether new evidence takes the form of an actual exhibit, a hyperlink where the exhibit may be found, or a statement of fact without any supporting citation, it is still new and not part of the official record and thus prohibited under 37 C.F.R. § 42.75(c)(3).³ See “Director Review Process” (uspto.gov) (“Director will not consider new evidence or new arguments not part of the official record.”).

The Board gave Micron an opportunity to bring its Requests into compliance, but Micron refused. Thus, Patent Owner asks the Board to deny the Third Request as violating 37 C.F.R. § 42.75(c)(3). At minimum, the Board should ignore each of the arguments in the Third Request that advance purported facts from the new exhibits but without citation to them. Because those arguments pervade the Third

³ Micron also did not seek to expunge the 22 new exhibits or the First and Second Requests.

Request, ignoring them would eviscerate the Third Request and doom it to denial.

Deceptive Argument - Injunction.

Micron’s Third Request relies primarily on the notion that Patent Owner seeks to enjoin Micron from producing the accused products and that an injunction against Micron would harm domestic memory production in the United States.⁴ For example, Micron boldly proclaims that “[a]llowing an unpracticed, commercially unused patent like Palisade’s [Patent Owner’s] to jeopardize the largest domestic manufacturing expansion in decades—through potential injunctions—sets back such efforts and poses unacceptable economic and national-security risk.” Third Request at 6. While Micron’s fear of an injunction is telling of its assessment of the value of the asserted patents, Micron’s infringement of those patents, and the validity of those patents, Patent Owner’s district court complaint does not seek an injunction. *See, e.g. Palisade Techs., LLP v. Micron Tech., Inc. et al.*, No. 7:24-cv-00262, Dkt. No. 56 (W.D. Tex. Jul. 28, 2025) (Plaintiff’s Second Amended Complaint for Patent Infringement (“Complaint”)) at 49 (showing that none of the seven prayers for relief seek an injunction).

Micron has no support for the proposition that Patent Owner’s Complaint

⁴ This is a new argument not appearing in the Opposition. See Paper 13. The Opposition contains no mention of Patent Owner seeking an injunction.

seeks an injunction. Previously Micron only relied on ¶17 in the Complaint. First Request at 2 (citing “Ex-1083, ¶17”); Second Request at 2 (citing the same paragraph from the Complaint). But that paragraph in the Complaint demonstrates Patent Owner’s standing to bring suit as the “sole and exclusive owner of all right, title, and interest” in the asserted patents. It does not include a request for injunctive relief. Now, in the Third Request, Micron cites nothing in the Complaint to support its claim that Patent Owner seeks an injunction.

None of the counts of infringement in the Complaint seek an injunction. Instead, they each end in a request for damages “in an amount that adequately compensates Palisade for Micron’s infringements, which, by law, cannot be less than a reasonable royalty, together with interest and costs as fixed by this Court under 35 U.S.C. § 284.” Complaint at ¶¶ 45, 59, 78, 94, 106. Lastly, the Complaint’s prayers for relief do not include a request for an injunction. *Id.* at ¶ 110 (i)-(vii).

Because Patent Owner does not seek an injunction, the primary premise of Micron’s motion (e.g., that Patent Owner seeks to render useless the purportedly heavy investment Micron has made in domestic memory) crumbles. Micron’s shameless twisting of Patent Owner’s Complaint to form the foundation of its Request is telling of Micron’s desperation to avoid paying the royalties it owes on the challenged patent.

Deceptive Argument – Technology Space / *Shenzen* and *Intel*.

Micron falsely argues that the facts of *Shenzen* and *Intel* relating to technology space “are present here.” Third Request at 7. But Micron cannot credibly argue that Patent Owner is asserting a patent outside of its technology space. For example, the ’051 Patent was originally assigned to Micron’s competitor, SanDisk. Ex. 1001 at [73] (showing assignee “SanDisk Technologies Inc.”); *see also* Paper 13 (Micron’s “Opposition” to the Discretionary Denial Request) at 7 (noting that SanDisk was a prior assignee and discussing that Micron intended to acquire SanDisk at one time). As the challenged patent states, the “invention relates to memory devices, and particularly, to portable handheld memory cards configured to transfer data over various interfaces.” Ex. 1001 at 1:6-8.

In contrast to *Shenzen*, Micron fails to offer evidence that the challenged patent has never been “‘commercialized, asserted, marked, licensed, or otherwise applied’ in Petitioner’s ‘particular technology space.’” *Shenzen* at 3. Typical of its tactics, Micron, through its lead counsel here, John Kappos, also sent Patent Owner a letter that contradicts Micron’s attempts to apply *Shenzen* here. That letter alleges that at least four SanDisk products and two Western Digital products practice the challenged patent and that SanDisk and Western Digital are “authorized licensees” of the challenged patent. But here, Micron incompatibly argues that the challenged patent compares to the patent in *Shenzen* that had never been commercialized,

asserted, marked, licensed, or otherwise applied in Petitioner’s particular technology space.

Micron also tries to twist *Shenzen* and *Intel* such that the “current owner” of the challenged patent must have “‘commercialized, asserted, marked, licensed, or otherwise applied’ the challenged patent in Petitioner’s ‘particular technology space,’” when no such “current owner” restriction appears in those cases. *See* Third Request at 7.

Citing *Shenzen* and *Intel*, Micron also argues that “recent guidance and decisions recognize that compelling economic interests weigh against discretionary denial” “where the current owner acquired the patent recently and is a litigation-focused entity.” *Id.* at 7. But nothing in *Shenzen* or *Intel* discusses whether “the current owner acquired the patent recently and is a litigation-focused entity.” The Director should not endorse Micron’s fabrication of precedent.

Incorrect Argument – Examiner Error.

The Board correctly found that “Petitioner’s arguments that the Office made a material error during prosecution are not persuasive.” Decision at 2-3. Micron presents no credible argument for examiner error. Instead, Micron cites to its Opposition which argued that the examiner erred because it purportedly failed to uncover the prior art relied upon in the Petition. *See* Opposition at 9-10 (“the Petition thoroughly demonstrates that the Diggs and Lin prior art references, which should

have been found and applied ...”); *id.* at 12-13. Micron cites no authority that the purported failure to uncover art relied upon in the Petition is sufficient “examiner error” to overcome discretionary denial. Moreover, Patent Owner’s Preliminary Response also demonstrates at least certain reasons why those references that the examiner allegedly failed to uncover remain insufficient to invalidate the claims. Paper 12.

Incorrect Argument – Settled Expectations.

Micron argues that the Board incorrectly based its “settled expectations” largely on the challenged patent’s age. *See, e.g.* Third Request at 9. To support its argument, Micron again cites *Shenzhen* and *Intel*, which include among the settled expectations considerations whether the challenged patent is being asserted outside of its prior technological space. *Id.* at 9. But, as discussed above, that is not the case here. For example, Micron sent Patent Owner a letter identifying its competitors’ products that it believes practice the challenged patent, while also alleging that those competitors are licensed to the challenged patent.

The remaining settled expectations section of the Third Request complains generally against settled expectations based on a patent’s age, while making irrelevant or incorrect arguments. *See id.* at 9-12. This includes arguing against a patent’s age creating settled expectations with the unsupported claim that “[o]lder patents are more likely to contain invalid claims that escaped initial examination.”

Id. at 11. And it incorrectly argues against settled expectations because, Patent Owner did “not acquire the patent before issuance” or that “[f]or twelve years before Palisade’s acquisition of the ’051 patent, the patent was never subject to any patent infringement proceeding or validity challenge.” *Id.* at 9-10. Micron cites no precedent for its carve-outs to settled expectations based on a patent’s age.

Faulty *Fintiv* Arguments – “True Alternative” and Merits.

Micron insists on maintaining its system prior art and many combinations of that system prior art with printed publications in the district court proceeding. *See, e.g., id.* at 13 (“Micron filed a *Sotera* stipulation that eliminates overlap for grounds based on patents and printed publications. ... To the extent Patent Owner points to system or product prior art ...”). Accordingly, the Petition does not present a true alternative to the district court proceeding. *Motorola Solutions, Inc. v. Stellar, LLC*, IPR2024-01205, Paper 19 (PTAB March 28, 2025).

Micron’s citation to *Ingenico* is misplaced. Third Request at 13-14. *Fintiv* is not mentioned or discussed in *Ingenico*. *Ingenico* relates to IPR estoppel, not whether the Board may consider the existence of system or product prior art in the district court proceeding when weighing the “true alternative” *Fintiv* factor. *Ingenico Inc. v. Ioengine, LLC*, 136 F.4th 1354, 1364-67 (Fed. Cir. 2025).

Micron’s arguments regarding the merits remain weak as demonstrated at least in Patent Owner’s preliminary response. Paper No. 12. Petitioner’s failure to

identify any anticipatory art serves as further indication of the weaknesses of the Petition's merits. In addition, the Petition is particularly weak because it frequently resorts to filling holes in the disclosure of the references themselves with expert testimony about what a person of ordinary skill in the art "would have known" or "would have understood," as Patent Owner explained in its request for discretionary denial.

Conclusion.

Micron's Third Request relies on deceptive, irrelevant, and incorrect arguments. Micron continues to assert the same purported facts and make the same arguments based on 22 unauthorized new exhibits, while having removed only the citations to those exhibits from its Third Request. Among its most egregious new positions, Micron falsely alleges that Patent Owner's Complaint seeks an injunction. Micron also incorrectly compares the challenged patent to that in *Shenzen*, in which the petitioner presented "evidence that the challenged patents have never been 'commercialized, asserted, marked, licensed, or otherwise applied' in petitioner's 'particular technology space.'" *Shenzen* at 3. Here, Micron has alleged the opposite in litigation, i.e., that the challenged patents are embodied and licensed by its prior competitor. For at least these reasons and those discussed above, Patent Owner respectfully requests that the Director deny the Requests.

Dated: November 21, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing was served on November 21, 2025, to Lead and Back-up Counsel for Petitioner at the service email addresses provided in the Petition: jkappos@omm.com; vzhou@omm.com; bhabber@omm.com; tfink@omm.com; preinbold@omm.com; OMMPALISADEMICRON@omm.com.

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CERTIFICATE OF COMPLIANCE

This document contains fewer than the fifteen pages allotted.

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