

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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BOE TECHNOLOGY GROUP CO., LTD.

Petitioner

v.

138 EAST LCD ADVANCEMENTS LIMITED,

Patent Owner.

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PTAB Case No. IPR 2025-01396

Patent No. 7,636,146

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**PETITIONER'S OPPOSITION TO  
PATENT OWNER'S REQUEST  
FOR DISCRETIONARY DENIAL**

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**PETITIONER’S EXHIBIT LIST**

<b>Exhibit No.</b>	<b>Document</b>
Ex. 1001	U.S. Pat. No. 7,636,146 (“ <b>’146 patent</b> ”)
Ex. 1002	Declaration and Curriculum Vitae of Richard Flasck (“ <b>Flasck</b> ”)
Ex. 1003	Certified file history of the ’146 patent
Ex. 1004	JP H11282011A & Certified Translation (“ <b>Kitawada</b> ”)
Ex. 1005	JP 2000231115A & Certified Translation (“ <b>Kawaguchi</b> ”)
Ex. 1006	JP H10282516A & Certified Translation (“ <b>Sano</b> ”)
Ex. 1007	JP H03-125334 & Certified Translation (“ <b>Minami</b> ”)
Ex. 1008	<i>Electronic Display Devices</i> , edited by Shoichi Matsumoto, 1990, Chapter 2, Liquid Crystal Displays (LCDs) and Declaration (“ <b>Matsumoto</b> ”)
Ex. 1009	U.S. Publication 2002-0018169A1 (“ <b>Kato</b> ”)
Ex. 1010	JP 2003216064 & Certified Translation (“ <b>Nakanishi</b> ”)
Ex. 1011	U.S. Publication 2003-0001808A1 (“ <b>Sakuma</b> ”)
Ex. 1012	U.S. Pat. No. 5,592,199 (“ <b>Kawaguchi ’199</b> ”)
Ex. 1013	JP 2000047643A & Certified Translation (“ <b>Shii</b> ”)
Ex. 1014	Wei-Fun Hou, TaiYan Kam, Adam Hsieh, JianCheng Chen, and Shyh-Ming Chang “ <i>Mismatch analysis of TAB-on-glass connection with ACF,</i> ” Proc. SPIE 4079, Display Technologies III, (30 June 2000) and Declaration (“ <b>Mismatch Analysis Report</b> ”)
Ex. 1015	U.S. Publication 2003-0095227 (“ <b>Kohtaka</b> ”)
Ex. 1016	U.S. Pat. No. 3,824,003 (“ <b>Koda</b> ”)

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Ex. 1017	<i>Tape-automated Bonding: Materials and Technologies</i> and Declaration (“ <b>Kang</b> ”)
Ex. 1018	U.S. Publication 2003-0142905 (“ <b>Yonekubo</b> ”)
Ex. 1019	U.S. Publication 2003-0090500 (“ <b>Yamazaki</b> ”)
Ex. 1020	U.S. Publication 2003-0043105 (“ <b>Hirakata</b> ”)
Ex. 1021	U.S. Pat. No. 7,002,545 (“ <b>Osame</b> ”)
Ex. 1022	“ <i>Liquid Crystal Display Technology</i> ,” with partial translation provided by the patent applicant, cited in September 17, 2008 Response to Office Action.
Ex. 1023	U.S. Pat. No. 5,155,065 (“ <b>Schweiss</b> ”)
Ex. 1024 (New)	Declaration of Yuanyuan Liu
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Ex. 1026 (New)	Website: <a href="#">Sony to acquire Seiko Epson's LCD ops for free   Reuters</a>
Ex. 1027 (New)	Website: <a href="#">Sony gets Seiko Epson's small and medium sized TFT LCD ops   Electronics Weekly</a>
Ex. 1028 (New)	<i>Ink Cartridges and Components Thereof</i> , ITC-337-TA-946, Complaint
Ex. 1029 (New)	IPValue website <a href="http://ipvalue.com/news/ipvalue-management-affiliate-acquires-additional-portfolio-from-seiko-epson">http://ipvalue.com/news/ipvalue-management-affiliate-acquires-additional-portfolio-from-seiko-epson</a>
Ex. 1030 (New)	ORDER granting 36 Motion for Extension of Time to Answer in Longitude Licensing Limited et al v. BOE Technology Group Co., Ltd. et al EDTX-2-25-cv-00440 Dkt. No. 38
Ex. 1031 (New)	ORDER - Scheduling/Case Management Conference set in Longitude Licensing Limited et al v. BOE Technology Group Co., Ltd. et al EDTX-2-25-cv-00440 Dkt. No. 41

## I. INTRODUCTION

Petitioner BOE Technology Group Co., Ltd. (“BOE” or “Petitioner”) opposes Patent Owner’s (“138 East”) request for discretionary denial.

This case epitomizes the scenario where discretionary denial is not warranted. The ’146 patent was abandoned by its original owner Seiko Epson (“Seiko”), licensed royalty-free to BOE, and only resurrected years later by a non-practicing entity seeking a litigation windfall. Seiko exited the LCD market before the patent even issued and never asserted it despite a decade of widespread industry adoption of LCD displays. And shortly before BOE’s royalty-free license expired, Seiko sold the patent to 138 East, an affiliate of patent-assertion entity IPValue, for low value as part of a tranche of over 2,500 patents that Seiko was not using. Only after this sale did 138 East repurpose the ’146 patent as a litigation weapon.

The doctrine of “settled expectations” presupposes consistent reliance by market participants. Here, the only consistency is Seiko’s decade-long disinterest in the ’146 patent. BOE, by contrast, relied reasonably on its royalty-free license and Seiko’s silence, and on its proof provided to 138 East that BOE’s products do not use the claimed technology. The equities, the *Fintiv* factors, and the statutory framework all point in one direction: institution. The Board should not reward crass opportunism by denying review.

## **II. ARGUMENT**

In seeking discretionary denial, Patent Owner 138 East invokes the Director’s “holistic view” framework but fails to address numerous facts that weigh heavily against such denial. Rather than engaging with the full context, 138 East selectively omits critical aspects of the patent’s history and BOE’s conduct. As detailed below, BOE presents a complete and accurate record that demonstrates why discretionary denial is unwarranted in this case.<sup>1</sup>

### **A. Settled Expectations Weigh Against Discretionary Denial**

#### **1. Seiko’s Exit from the LCD Market Undermines Any Claim of Settled Expectations**

138 East refers to the ’146 patent and two patents asserted in the litigation as the “Longitude Patents.” (Paper 6 at 1.) These patents were originally owned by Seiko Epson Corporation (“Seiko”) and claim priority to applications filed in Japan. (*See* Ex. 1001.) The ’146 patent issued on December 22, 2009. (*Id.*)

138 East asserts that the ’146 patent relates to “inventions that improve

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<sup>1</sup> BOE respectfully contends that the Director lacks authority to grant PO’s request because institution authority is properly delegated to the Board and that Rule has not been rescinded. *See* 37 C.F.R. § 42.4(a) (“The Board institutes the trial on behalf of the Director.”); Rules of Practice, 77 Fed. Reg. 48,612 at 48,616 (“Section 42.4(a) specifically delegates the determination to institute a trial to the Board.”).

consumer-facing benefits of LCD panels and/or modules, and/or monitors and TVs that incorporate these LCD panels.” (Paper 6 at 2.) More specifically, the patent describes the conventional use of thin-film transistors (TFTs) as switching elements to control pixel electrodes in LCD displays. (*See* Ex. 1001 at 1:15–50; Figure 3.)

However, by March 2009—months before the ’146 patent issued—Seiko had begun the process of withdrawing from the small LCD display business. (Ex. 1025.) Seiko acknowledged that it was losing approximately one billion U.S. dollars annually in competition with Sharp in the small LCD market. (*Id.*) In response, Seiko transferred substantial portions of its TFT LCD business to Sony *at no cost*. (Ex. 1026 (“Sony to acquire Seiko Epson’s LCD ops for free”); Ex. 1027 (“Sony gets Seiko Epson’s small and medium-sized TFT LCD ops... No payment is involved.”))

The assets transferred included output facilities for amorphous silicon TFT LCDs and intellectual property rights for low-temperature polysilicon TFT LCDs—technologies in the same space as the alleged invention of the ’146 patent. (Ex. 1026.) Seiko’s decision to divest these assets without compensation underscores its lack of commercial interest in continuing its LCD business or enforcing related patents.

This context is critical. Seiko’s exit from the market before the ’146 patent issued, combined with its failure to assert or license the patent for value, demonstrates that it did not view the patent as commercially significant. These facts

undermine 138 East's claim that the industry developed settled expectations regarding the patent's validity or relevance. On the contrary, the record reflects that the '146 patent was effectively shelved by its original owner, and only later weaponized by a patent assertion entity. This history weighs strongly against discretionary denial.

## **2. Seiko Never Asserted the '146 Patent Despite Widespread Industry Adoption of LCD Technology**

After transferring its TFT LCD business operations to Sony, Seiko retained its patents, including the '146 patent. Despite billions of LCD panels being shipped between 2009—when the '146 patent issued—and 2019 when Seiko sold the patent to 138 East, Seiko never once asserted the patent. This decade-long silence underscores the lack of any settled expectations regarding the patent's enforceability or relevance. Instead, Seiko focused on enforcing its ink jet printer and cartridge patents—an irrelevant product line to BOE—again demonstrating that Seiko had no settled expectations regarding the '146 patent. (*See, e.g., Ex. 1028, Ink Cartridges and Components Thereof*, ITC-337-TA-946, Complaint at 48, ¶ 145 (patents directed to ink cartridges).)

Had Seiko genuinely believed that its LCD display patent was widely infringed, it would have asserted the '146 patent—just as it did with its ink-cartridge patents. Its failure to do so further undermines any claim of settled expectations regarding the patent's enforcement. Under 35 U.S.C. § 286, a patent owner may

recover damages only for infringement occurring within six years prior to the filing of a complaint. Seiko's conduct during its ownership of the '146 patent demonstrates that it did not believe LCD panels utilized the claimed technology. Had Seiko genuinely believed that infringement was occurring, it would have acted to enforce its rights rather than allowing more than a decade to pass without taking any action, thereby forfeiting any claim to damages for earlier alleged infringement. This prolonged inaction is inconsistent with the behavior of a patent holder that perceives its patent as being practiced and infringed, and it further undermines 138 East's current assertions.

138 East offers no evidence that Seiko ever commercialized the '146 patent or held any investment-backed expectations regarding its value. To the contrary, Seiko remained silent and derived no discernible benefit from the patent for over a decade before ultimately selling it at a low value to 138 East, a non-practicing entity. Moreover, 138 East does not claim to commercialize the technology; instead, it engages in litigation over old patents that Seiko itself did not believe were significant. There is no indication that Seiko or 138 East—both of which would have been aware that Seiko transferred its LCD business to Sony for free prior to the issuance of the '146 patent—held any legitimate settled expectations regarding the patent's validity, scope, or significance. The breadth and importance now asserted

by 138 East, near the end of the patent's term, are inconsistent with Seiko's historical conduct.

Under these circumstances, 138 East's assertion that the public or industry developed "settled expectations" regarding the '146 patent is unfounded. The record demonstrates that the patent was not commercialized, asserted, marked, licensed, or otherwise applied for over a decade during the explosion in LCD display commercialization. As the Interim Director held in *Home Depot U.S.A., Inc. v. H22 Intellect LLC*, IPR2025-00480, Paper 11 at 2–3 (Sept. 4, 2025), dormant patents do not generate settled expectations. The '146 patent is even weaker: it was not merely dormant, but affirmatively licensed royalty-free and ignored by its owner.

### **3. Seiko Sold LCD Patents to BOE and Licensed Remaining Patents Royalty Free**

Under these circumstances, 138 East is wrong to claim that the public or the industry developed any settled expectations regarding the '146 patent. Although Seiko had transferred its TFT LCD operations to Sony, it retained certain patents. Later, Seiko sold off substantial parts of its remaining portfolio. (Liu Declaration, Ex. 1024, at ¶ 2.) Ultimately, BOE purchased a substantial number of patents from Seiko in 2014 that it believed to be relevant and of value, but this did not include the '146 patent—a patent of which, at the time, BOE was not even aware. (*Id.*)

During the negotiation, Seiko proposed a royalty-free cross-licensing arrangement that would provide BOE with a royalty-free license to an additional

category of unspecified patents in exchange for BOE providing Seiko a royalty-free license to certain of BOE's patents. (Ex. 1024 at ¶¶ 3-4.) BOE found this acceptable because there would be essentially no cost to BOE. (*See id.*) In particular, BOE believed that it was not foregoing substantial royalties in cross-licensing its patents to Seiko, as Seiko was leaving the LCD display business. (*See id.*) BOE did not learn until much later (2020) that the cross-license included the '146 patent specifically. (*Id.* at ¶ 6.) This further underscores the lack of settled expectations surrounding the '146 patent.

At the time of the BOE–Seiko cross-licensing agreement, Seiko was fully aware that BOE was manufacturing and selling a substantial volume of LCD display products, while Seiko was exiting the LCD market. Given this imbalance, if Seiko had believed the '146 patent held significant commercial value or was being infringed, it would have sought royalties from BOE. Instead, Seiko granted BOE a royalty-free cross-license, further confirming that it did not view the '146 patent and the other cross-licensed patents as valuable and did not have any settled expectations regarding the validity of the '146 patent. (Ex. 1024 at ¶¶ 3-4.)

Under the terms of the agreement, BOE's license expired on November 18, 2019. During the license period (2014–2019), BOE had no reason to seek *inter partes* review of the '146 patent, as it was not exposed to any infringement risk and was not paying any royalties. Indeed, the cross-license did not list any specific

patent numbers and BOE at that time had not heard of the '146 patent specifically. (*Id.* at ¶ 6.) This further undermines 138 East's claim of settled expectations and weighs against discretionary denial.

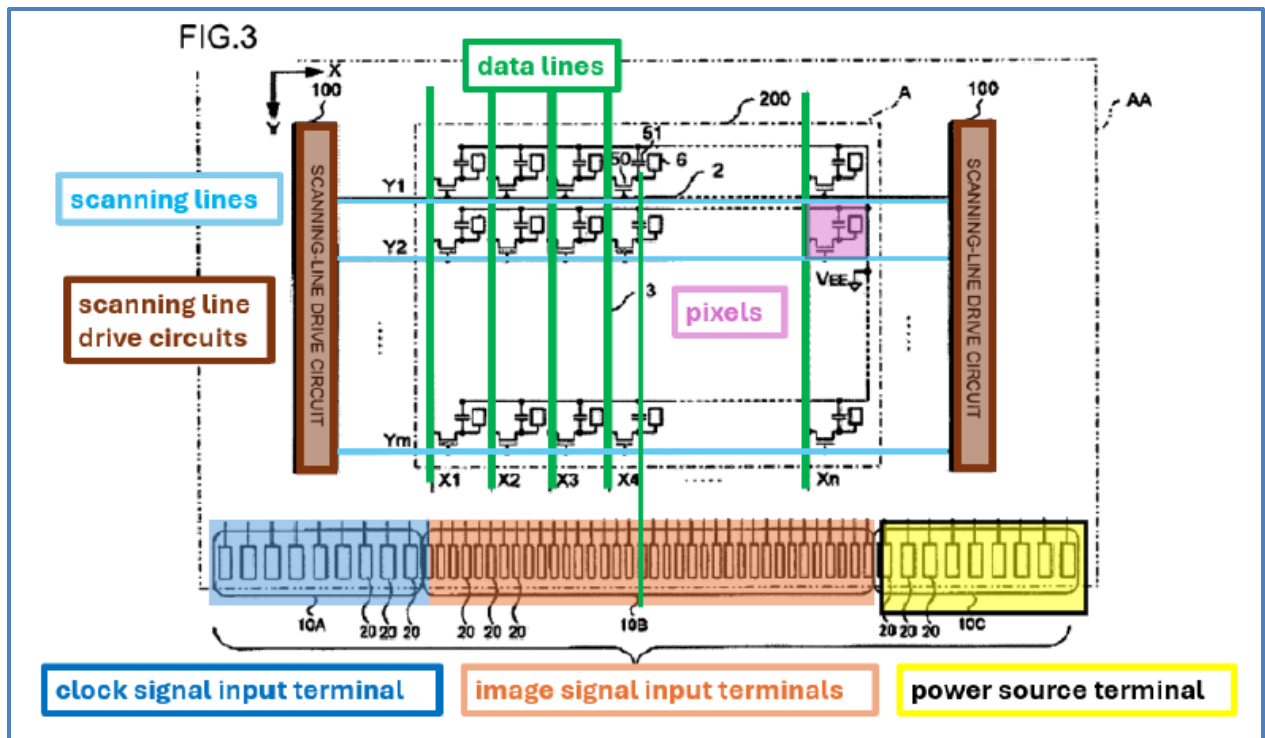
#### **4. The Patent Transfer to 138 East and Abrupt Change in Enforcement Strategy Preclude Settled Expectations**

Before the expiration of the BOE–Seiko cross-license, Seiko breached the agreement by disclosing certain licensing information to IPValue, an affiliate of 138 East and a known patent assertion entity, without notice to BOE. This unauthorized action deprived BOE of the opportunity to negotiate an extension of the cross-license or take other steps to avoid becoming a target of IPValue's / 138 East's enforcement campaign. (*See* Ex. 2006 at ¶¶ 60–79.)

Sometime in 2018, Seiko sold the '146 patent—along with numerous others—to 138 East. (Ex. 1024 at ¶5; Ex. 1029 (138 East acquired “over 2,500 worldwide patents . . . from Epson”.) In stark contrast to Seiko's prior conduct, which included shelving the '146 patent and licensing it to BOE royalty-free, 138 East immediately adopted an aggressive litigation-focused strategy. Specifically, less than two months after BOE's license expired, 138 East sent its first letter to BOE on January 2, 2020, alleging infringement of eight Seiko patents, including the '146 patent. (Ex. 1024 at ¶¶ 6-7.) This was followed by additional threatening correspondence and infringement allegations, culminating in a demand for a very large payment from BOE. (*Id.*) Over the course of several meetings and exchanges of information, BOE

provided conclusive proof to 138 East that BOE's LCD displays do not infringe the asserted claims of the '146 patent. (*Id.*)

As the alleged point of novelty that persuaded the examiner to allow the '146 patent, claim 10 recites “the clock-signal input terminal overlaps a first wiring . . . by a **larger area** than an area at which at least one of the image-signal input terminals overlaps a second wiring.” (emphasis added). The patent postulates that clock signal input terminals should have “larger areas” than image signal input terminals in an LCD display because clock signals have “a higher frequency component” that will become “dull” unless the contact resistance “is made lower.” (Ex. 1001 at 7:27-55). And as a basic, known fact of engineering, “the contact resistance becomes smaller as the area of the input terminal becomes larger.” (*Id.*) Thus, the supposed invention is that “the area of the input terminal” for the clock signal “is made larger compared with that of the input terminal to which the image signal is supplied.” (*Id.*) This is illustrated in Figure 3 of the patent, which shows “larger area” clock signal input terminals (in terminal block 10A shown in blue) and relatively smaller area image signal input terminals (in terminal block 10B):



(Paper 2, Petition at 13, annotations added by BOE.)

In BOE’s January 21, 2021 response to 138 East’s allegations, BOE informed 138 East that in BOE’s LCD products, the clock-signal input terminals have the same width, size, and area as the image-signal input terminals and that the alleged “terminals” identified by 138 East in its infringement contentions are not, in fact, terminals. (Ex. 1024 at ¶¶ 6-7.). Then in November of 2022, BOE even provided excerpts of its confidential circuit designs, proving that the portions that 138 East called “terminals” are not terminals, and that every actual terminal in BOE’s accused product has exactly the same shape and area—none has a “larger area” as required for infringement. (*See id.*)

138 did nothing for nearly a year after BOE provided 138 East with this conclusive evidence that its LCD products do not infringe the '146 patent, and waited until November 2023 to file any type of lawsuit against BOE. Notably, that first lawsuit—Case No. 2:23-cv-00515 (E.D. Tex.)—asserted infringement of different patents, not the '146 patent. Therefore, BOE had no reason to seek *inter partes* review of the '146 patent at that time, as it was not being asserted in the litigation and BOE reasonably believed that 138 East had accepted the proof that BOE did not practice the claimed technology.

It was not until April 2025—over two years after BOE had disclosed its non-infringement position and seven years after 138 East acquired the '146 patent—that 138 East filed a new lawsuit asserting the '146 patent for the first time. In its Complaint (Ex. 2002), 138 East repeated the same meritless argument previously disproved by BOE: that the so-called clock signal input terminals (which are not terminals) have a “larger area” than the image signal input terminals.

Given this history, BOE had no obligation or practical reason to initiate an IPR proceeding prior to being sued. The statutory framework under 35 U.S.C. § 315(b) contemplates that accused infringers will evaluate the merits of infringement allegations before seeking *inter partes* review. BOE acted promptly and well within the statutory one-year period by filing its Petition on August 30, 2025. The Petition challenges all claims of the '146 patent—not merely those referenced in 138 East's

notice letters and in the Complaint—demonstrating BOE’s commitment to a comprehensive and timely decision on validity by the PTAB.

These facts further support denying 138 East’s request for discretionary denial and confirm that BOE’s actions were consistent with the statutory scheme and its reasonable expectations regarding the irrelevance of the ’146 patent to its products.

In the end, 138 East cannot credibly invoke “settled expectations” based on Seiko’s decade-long period of non-enforcement. The lack of continuity in market behavior—combined with Seiko’s divestiture of its LCD business, its royalty-free licensing of the ’146 patent, and its failure to assert the patent—demonstrates that no such expectations existed. And 138’s own inaction after being provided with definitive proof of non-infringement further demonstrates the lack of settled industry reliance on the patent’s validity or enforceability. Under these circumstances, discretionary denial is unwarranted.

#### **5. 138 East’s Cited Discretionary Denials Are Inapposite**

None of the discretionary denials cited by 138 East involve circumstances comparable to those presented here. Here, the original patent owner, Seiko, exited the relevant market before the ’146 patent even issued—transferring its LCD business to another company for no consideration. Seiko never asserted the ’146 patent during the decade it held it, and ultimately sold many of its patents to BOE while licensing the remainder, including the ’146 patent, to BOE royalty-free.

None of the cases cited by 138 East involved a patent assertion entity acquiring patents that had previously been licensed to the accused infringer for free, then initiating litigation years after being presented with clear non-infringement evidence. Thus, the only settled expectation regarding the '146 patent was that the patent lacked commercial relevance and was undeserving of attention by the industry (or the PTAB). It was only after 138 East abruptly shifted its enforcement strategy by suing BOE on the '146 patent in 2025—after the transfer of the '146 patent to 138 East and years after receiving definitive proof of non-infringement from BOE—that this expectation arguably changed. And BOE appropriately and promptly filed for *inter partes* review after being sued. None of the cases cited by 138 East is analogous to the present scenario.

Indeed, the Office has rejected claims of “settled expectations” under far less disruptive circumstances. As mentioned above, in *Home Depot*, IPR2025-00480, Paper 11, the Interim Director found no settled expectations where a 12-year-old patent had “not been commercialized, asserted, marked, licensed, or otherwise applied in its technology space.” The facts here are even more compelling: the original patent owner exited the market, licensed the patent for free, and never enforced it. And even the non-practicing entity that acquired the patent delayed enforcing it for over two years after receiving evidence of non-infringement.

138 East’s reliance on *Hisense USA v. VideoLabs* is similarly misplaced. In that case, the patent owner had provided evidence that the challenged patents had been licensed to over twenty companies. There was no indication that the original patent owner had exited the market, nor that the petitioner had previously held a royalty-free license or had provided pre-suit non-infringement evidence. (*See* IPR2025-000880, Paper 11 at 2–3 (Director Oct. 10, 2025).) Likewise, the denial in *Nkt Photonics Inc. v. Omni Continuum LLC*, IPR2025-00839 is inapplicable for similar reasons. The facts in 138 East’s cited discretionary denials reflect routine *inter partes* reviews of older patents, not the unique history of demonstrated irrelevance and deliberate non-enforcement present here.

Accordingly, the precedents cited by 138 East do not support discretionary denial in this case. The Director should decline to extend discretionary denial where the factual record so clearly undermines any claim of settled expectations.

**B. The *Fintiv* Factors Also Weigh Against Discretionary Denial**

*First*, no trial date has been set. 138 East speculates that trial could be set for April 2027. Even assuming that estimate proves accurate, 138 East itself admits that the Board would issue a final written decision before the district court concludes its proceedings, which weighs against discretionary denial. (Paper 6 at 8.)

In reality, trial is likely to be scheduled for a later date. The district court granted 138 East’s motion to delay the litigation, resulting in a two-month extension

of key deadlines. (Case No. 2:25-cv-00440, Dkt. No. 38 (Ex. 1030), extending case deadlines; Dkt. No. 41 (Ex. 1031), rescheduling the case management conference from September 30, 2025 to November 24, 2025.) Because deadlines in the Eastern District of Texas are typically keyed to the case management conference (CMC) date rather than the date of the complaint (*see* Ex. 1031 (Dkt. No. 41)), the trial date will likely be pushed back by at least two months beyond 138 East’s projection.

138 East’s reliance on *Omnivision v. RE Secured Networks*, IPR2025-01019, is misplaced. In that case, the Board’s final written decision (December 20, 2026) was projected to issue *after* the scheduled trial date of October 26, 2026. (Paper 14 at 2.) Similarly, in *Advanced Micro Devices, Inc. v. Concurrent Ventures*, IPR2025-00223, the projected final written decision (July 15, 2026) could have issued *after* trial, which was expected to begin “as early as April 2026.” (Paper 9 at 2.)

Here, by contrast, 138 East admits that the Board’s final decision will precede the district-court trial, and this is especially so given the recent delay in the district court schedule. This timing supports institution and weighs against denial.

**Second**, the court and parties have not invested *any* work in the underlying litigations on the merits. 138 East’s speculation regarding the amount of work that may be completed in the district court litigation before the Board issues a final written decision is irrelevant. As the PTAB has made clear in a precedential decision, the relevant consideration under *Apple Inc. v. Fintiv Inc.*, IPR2020-00019, Paper 11

at 9–10 (PTAB Mar. 20, 2020), is “the amount and type of work already completed in the parallel litigation by the court and the parties at the time of the institution decision,” not at the time of the final IPR decision.

Here, the litigation is in its infancy. Not all defendants have responded to the Complaint, and the case management conference (CMC)—which sets the schedule for key litigation milestones—has not yet occurred. (Ex. 1031, Dkt. 41.) As a result, invalidity contentions are not due until January 2026, well after BOE filed its Petition. This timing confirms that minimal substantive work has been completed in the district court, and it is virtually certain that no orders relating to the ’146 patent will issue before the Board’s institution decision.

Accordingly, the early procedural posture of the litigation weighs strongly against discretionary denial and supports institution of *inter partes* review.

**Third**, BOE has unequivocally stipulated that it will not assert any anticipation or obviousness defenses in the underlying district court litigation if *inter partes* review is instituted. (See Paper 7.) This exceeds the standard articulated in *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020), ensuring that there will be no overlap between the issues in the IPR and those before the district court. As the PTAB recognized in *Fintiv*, such a stipulation “mitigates concerns of duplicative efforts and conflicting decisions,” and “weighs strongly in favor of institution.” (IPR2020-00019, Paper 11 at 12–13.)

BOE’s proactive and comprehensive stipulation reflects its commitment to streamlining the resolution of validity issues in a single forum. This factor weighs decisively against discretionary denial and supports institution of the petition.

**Fourth**, The compelling merits of BOE’s Petition weigh strongly against discretionary denial. As the PTAB recognized in *Fintiv*, institution is favored when “the merits of a ground raised in the petition seem particularly strong on the preliminary record.” (*Fintiv*, IPR2020-00019, Paper 11 at 14.)

Here, the Petition presents a well-supported obviousness challenge to all claims of the ’146 patent. The purported point of novelty in the asserted claims—namely, the use of clock signal input terminals with a “larger area” than image signal input terminals—is not novel. The purported inventor identified two reasons for this design: (i) reducing electrical resistance and (ii) strengthening mechanical bonding to the LCD substrate. However, both rationales are expressly disclosed in the prior art related to LCD displays, rendering the claimed invention obvious under established principles of patent law. (*See* Petition, Paper 2 at Section VIII.)

Given the strength of the prior art and the clarity of the asserted grounds, the Petition satisfies the threshold for institution and presents a compelling case for review. This factor weighs decisively against discretionary denial.

**Finally**, while BOE has not moved to stay the underlying litigations, it is premature to do so before IPR is instituted. 138 East cites caselaw suggesting that

the Eastern District of Texas is less likely to grant stays when the PTAB institutes review on fewer than all asserted claims. (Paper 6 at 7.) That concern is not present here. BOE has challenged every claim of every patent asserted in the litigation including the '146 patent, thereby eliminating the risk of piecemeal review and ensuring that the IPR proceedings will directly address all asserted claims.

In summary, all the *Fintiv* factors point in the same direction: institution.

**C. Expert Testimony Supports, Not Undermines, Institution**

138 East observes that the expert declaration submitted with BOE's Petition comprises "42 paragraphs of 'technology overview' and 63 paragraphs describing the 'state of the art.'" (Paper 6 at 9.) But this is not gap-filling as 138 East alleges; BOE's expert simply provides the detailed technical context the Board expects in complex LCD technology cases. Thoroughness is not a flaw—it assists the Board to evaluate the merits. BOE's expert ties claim elements directly to prior art, explaining why the supposed novelty—"larger area" clock signal input terminals—was a basic engineering principle known before the filing date. Again, thorough expert analysis is precisely what the Board expects in cases like this one.

138 East asserts, without substantiation, that BOE relies on expert testimony "including to fill gaps." (Paper 6 at 9, citing Petition at 32-38 and Ex. 1002, ¶¶ 161–171.) Yet the cited portions of the record contain a clear and concise summary of the motivation to combine, referencing the prior art and explaining why a person of

ordinary skill in the art (POSITA) would have combined their teachings. 138 East fails to identify any specific “gaps” allegedly filled by the expert, and it is not the Director’s role to search the record for such supposed gaps when the Patent Owner has not identified any.

138 East also claims that BOE’s expert testimony “raises credibility issues,” which it intends to address in its forthcoming Patent Owner Preliminary Response. (Paper 6 at 10.) However, 138 East has not developed this argument in its request for discretionary denial, thereby waiving it for purposes of that request given that BOE has no opportunity to respond. In any event, the technical complexity of the issues presented makes the PTAB the appropriate forum for resolving questions of patentability—not a lay jury or district court judge.

Moreover, as mentioned previously, BOE has stipulated that it will not assert anticipation or obviousness defenses in the district court litigation if the IPR is instituted. (*See* Paper 7.) As a result, the district court will not be required to assess the credibility of BOE’s expert with respect to the subject matter of his IPR declaration. This further supports institution and weighs against discretionary denial.

#### **D. Voluntary Search Disclosure Also Supports Institution**

Just two days ago, the Director issued a memorandum allowing a petitioner to submit a Search Disclosure Dedication (SDD) explaining how prior art was identified. Voluntary submission of an SDD will be considered as a “**favorable**

**discretionary factor** supporting institution.” (Memorandum) (original emphasis). Given the timing of the Director’s Memorandum, BOE has not yet submitted its SDD, but BOE anticipates doing so no later than November 24, 2025 (*i.e.*, seven days after the memorandum issued).

### III. CONCLUSION

The record is clear. Seiko abandoned the LCD business, licensed the ’146 patent royalty-free, and never enforced it during the decade it owned the patent. BOE showed 138 East years ago that the ’146 patent is irrelevant to BOE’s products, and acted promptly to file an IPR petition after 138 East belatedly challenged that showing by filing suit. 138 East’s attempt to weaponize a dormant patent near the end of its term and contrary to the settled expectations is precisely the type of gamesmanship *inter partes* review was designed to check.

The equities weigh against discretionary denial, the *Fintiv* factors favor institution, and BOE has provided compelling invalidity grounds. The Board should institute review and allow this case to be decided on the merits. Anything less would undermine the integrity of the IPR process and reward litigation tactics divorced from settled expectations.

Dated: November 19, 2025

Respectfully submitted,

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## CERTIFICATE OF SERVICE

The undersigned hereby certifies that true copies of this **PETITIONER'S OPPOSITION TO PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL** have been served via electronic mail to the attorneys of record for Patent Owner:

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**CERTIFICATE OF WORD COUNT UNDER 37 C.F.R § 42.24**

Pursuant to 37 C.F.R. §42.24 et seq., the undersigned certifies that the word count for this *Petitioner’s Opposition to Patent Owner’s Request for Discretionary Denial* complies with the type-volume limitations excluding the cover page and the parts exempted by 37 C.F.R. § 42.24(a)(1). This document contains 4,578 words as calculated by the “Word Count” feature of Microsoft® Word, the word processing program used to create it.

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