

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

**RESONAC HARD DISK CORPORATION and
RESONAC CORPORATION,**
Petitioners,

v.

MR TECHNOLOGIES GMBH,
Patent Owner.

Case No. IPR2026-00016
U.S. Patent No. 12,020,734

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

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PETITIONERS' UPDATED EXHIBIT LIST (New Exhibits in *Italic*)

Exhibit	Description
Ex-1001	U.S. Patent No. 12,020,734 (“the ’734 Patent”)
Ex-1002	File History of the ’734 Patent
Ex-1003	Declaration of Dr. Jian-Gang Zhu
Ex-1004	CV of Dr. Jian-Gang Zhu
Ex-1005	U.S. Patent No. 8,329,321 (“Takenoiri”)
Ex-1006	U.S. Patent No. 6,834,026 (“Fullerton”)
Ex-1007	W. K. Shen et al., <i>Composite perpendicular magnetic recording media using [Co/PdSi]_n as a hard layer and FeSiO as a soft layer</i> . Journal of applied physics 97.10 (2005) (“Shen”)
Ex-1008	D. Suess et al., <i>Exchange Spring Recording Media for Areal Densities Up to 10 Tbit/in²</i> , Journal of Magnetism and Magnetic Materials 290 (2005): 551-554. (“Suess 2004”)
Ex-1009	A. Yu Dobin et al., <i>Domain wall assisted magnetic recording</i> . Applied Physics Letters 89.6 (2006). (“Dobin”)
Ex-1010	Reserved
Ex-1011	D. Suess et al., <i>Exchange spring media for perpendicular recording</i> . Applied Physics Letters 87.1 (2005). (“Suess 2005”)
Ex-1012	U.S. Patent No. 9,928,864 (“the ’864 Patent”)
Ex-1013	File History of the ’864 Patent
Ex-1014	Reserved
Ex-1015	Reserved
Ex-1016	U.S. Patent No. 5,536,570 (“Osato”)

Ex-1017	C. M. Christensen, <i>The rigid disk drive industry: A history of commercial and technological turbulence</i> . Business history review 67.4 (1993): 531-588.
Ex-1018	P. Gourevitch, R. Bohn, and D. McKendrick. <i>Globalization of production: insights from the hard disk drive industry</i> . World development 28.2 (2000): 301-317.
Ex-1019	<i>MR Technologies GmbH v. Western Digital Technologies, Inc.</i> , 8:24-cv-01848 (C.D. Cal.), Dkt. No. 195, Claim Construction Order
Ex-1020	S. Okamoto et al., <i>The anisotropy field of FePt L10 nanoparticles controlled by very thin Pt layer</i> . Journal of Physics: Condensed Matter 16.12 (2004): 2109.
Ex-1021	WIPO Patent Publication No. WO 2001/022407 A1
Ex-1022	U.S. Patent No. 7,846,564 ("Li")
Ex-1023	K. Z. Gao, et al., <i>Magnetic recording configuration for densities beyond 1 Tb/in² and data rates beyond 1 Gb/s</i> . IEEE transactions on magnetics 38.6 (2002): 3675-3683.
Ex-1024	JP Patent Application JP2004-197775 (Takenori Certified Priority Document)
Ex-1025	JP4540557B2 (Takenori JP counterpart)
Ex-1026	CN100570715C (Takenori CN counterpart)
Ex-1027	U.S. Patent Application Publication No. 2003/0096127 A1
Ex-1028	T. Shimatsu et al., <i>High perpendicular magnetic anisotropy of CoPtCr/Ru films for granular-type perpendicular media</i> . IEEE transactions on magnetics 40.4 (2004): 2483-2485.
Ex-1029	I. Kaitsu, R. Inamura, J. Toda, and T. Morita, <i>Ultra High Density Perpendicular Magnetic Recording Technologies</i> , Fujitsu Science and Technology Journal, vol. 42, No. 1, p.122-130 (January 2006).

Ex-1030	G. Asti et al., <i>Magnetic phase diagram and demagnetization processes in perpendicular exchange-spring multilayers</i> , 73 Phys. Rev. B 094406 (2006).
Ex-1031	S.S.P. Parkin, <i>Systematic Variation of the Strength and Oscillation Period of Indirect Magnetic Exchange Coupling through the 3d, 4d, and 5d Transition Metals</i> , 67 Phys. Rev. Lett. 398 (1991).
Ex-1032	M. Zheng et al., <i>Role of Oxygen Incorporation in Co-Cr-Pt-Si-O Perpendicular Magnetic Recording Media</i> . IEEE Transactions on Magnetics, 40.4 (2004): 2498-2500.
Ex-1033	Reserved
Ex-1034	CV of Sylvia Hall-Ellis, Ph.D.
Ex-1035	Jeong et al., <i>In Situ ordered polycrystalline FePt L10 (001) nanostructured films and the effect of CrMn and Zn top layer diffusion</i> . Journal of Applied Physics, 91 (2002): 6383-6385.
Ex-1036	Declaration of Sylvia Hall-Ellis, Ph.D.
Ex-1037	<i>Sotera Stipulation</i>
Ex-1038	<i>Shimizu Declaration</i>
Ex-1039	<i>Docket Navigator Statistics Regarding Judge Selna's Grant Rate re Motions to Stay pending PTAB proceedings</i>
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Ex-1045	<i>Patent Owner Motion to Dismiss or Transfer in Resonac DJ Action</i>

<i>Ex-1046</i>	<i>Lex Machina statistics for median time to trial – Judge Patrick Joseph Schiltz (Seagate Action)</i>
<i>Ex-1047</i>	<i>Lex Machina statistics for median time to trial – Judge James V Selna (Toshiba Action)</i>
<i>Ex-1048</i>	<i>Lex Machina statistics for median time to trial – Northern District of California (Resonac DJ Action)</i>

I. INTRODUCTION

Patent Owner’s reasoning for discretionary denial rests entirely on incorrect factual assumptions and unsupported accusations. In Patent Owner’s now concluded litigations against Western Digital (“WD”), Petitioners were never parties, were never subpoenaed, were never asked to indemnify WD, and had no involvement of any kind. Patent Owner never contacted Petitioners in any way, never sued Petitioners, never sent a demand letter to Petitioners, never sought discovery from Petitioners, and never put Petitioners on notice, so Patent Owner cannot plausibly claim any “settled expectation” that Petitioners would not seek PTAB review.

Patent Owner’s discretionary denial request improperly attempts to treat customer litigations in which Petitioners had no notice, involvement, or privity, as a substitute for actual notice or participation, an approach that finds no support in PTAB precedent or the *Fintiv* framework. The jury verdict concerning the ’864 and ’997 Patents cannot bind the current IPR concerning the ’734 Patent because different parties and different patents were at issue. Nor does the jury verdict create any “settled expectation” that the ’734 Patent will not be challenged because, among other reasons and contrary to what Patent Owner asserts, the sole independent claim of the ’734 Patent is **not** narrower than claim 1 of the ’864 and ’997 Patents.

Moreover, the *Fintiv* factors strongly favor institution. For example, all three pending district court cases are in their infancy. The district courts have yet to set

case management schedules in place, let alone set trial dates, and the parties have made only minimal investments in discovery and briefing. Petitioners provide a full *Sotera* stipulation with this opposition, eliminating any possible overlap with Petitioners' co-pending litigation, in which validity is not even currently at issue.

Therefore, the present IPR petition should not be discretionarily denied.

II. BACKGROUND

Three IPRs are currently awaiting the Director's decision on discretionary denial, involving three patents in the same family: U.S. Patent Nos. 9,928,864 ("the '864 Patent," in IPR2026-00014), 11,138,997 ("the '997 Patent," in IPR2026-00015), and 12,020,734 ("the '734 Patent," in present IPR2026-00016) (collectively "Challenged Patents"). The '864 Patent issued on March 27, 2018, so it was 7 years old when the IPRs were filed. The '997 Patent (a continuation application of the '864 Patent) issued several years later on October 5, 2021, so it was 4 years old when the IPRs were filed. The '734 Patent application (a continuation application of the '997 Patent) was filed October 4, 2021. Both the issued '864 and '997 Patents and the then-pending '734 Patent application were only allegedly assigned to Patent Owner on June 13, 2022, just three years before the IPRs were filed. Ex-1041. On the same day, Patent Owner asserted four patents (including the '864 and '997 Patents) against WD in the Western District of Texas, which was voluntary dismissed and refiled in the Central District of California (*MR Technologies, GMBH v. Western Digital*

Technologies, Inc. CDCA-8-22-cv-01599, the “First WD Action”). While the First WD Action was still pending and shortly before trial, the ’734 Patent issued on June 25, 2024, so it was 1 year and 4 months old when the IPRs were filed. The First WD Action went to trial on the ’864 and ’997 Patents and a jury verdict was reached on July 26, 2024, finding both patents infringed and valid. On August 22, 2024, Patent Owner initiated another patent infringement action against WD, asserting only the recently issued ’734 Patent (*MR Technologies GMBH v. Western Digital Technologies, Inc.* CDCA-8-24-cv-01848, the “Second WD Action”).

On April 14, 2025, right before settling both WD Actions on May 16, 2025, Patent Owner filed its litigations against Seagate (*MR Technologies GmbH v. Seagate Technology LLC et al* DMN-0-25-cv-01460, the “Seagate Action”) and Toshiba (*MR Technologies GMBH v. Toshiba America Electronic Components, Inc. et al* CDCA-8-25-cv-00786, the “Toshiba Action”), asserting the ’864, ’997, and ’734 Patents. Toshiba, one of Petitioners’ customers and partners, subsequently informed Petitioners about the Toshiba Action. Under a reasonable apprehension that Patent Owner may initiate additional lawsuits against Petitioners or their customers based the same patents, Petitioners sought *inter partes* review of all three patents, resulting in the pending IPRs, IPR2026-00014, IPR2026-00015, and IPR2026-00016. Thereafter, Petitioners also initiated a declaratory judgment action against Patent Owner (*Resonac Hard Disk Corporation et al v. MR Technologies*

GmbH NDCA-3-25-cv-08631, the “Resonac DJ Action”), seeking declaratory judgments that none of Resonac’s products infringe the ’864, ’997, and ’734 Patents.

In sum, the three Challenged Patents belong to the same family, and, as a group, represent a relatively young portfolio: two were well under six years old when the petitions were filed, and the older ’864 Patent had only recently been asserted. Patent Owner had held and asserted the patent for less than a year before Petitioners first became aware that Patent Owner is engaged in serial litigations targeting Petitioners’ customers and then initiated the present IPR shortly thereafter.

III. ARGUMENTS

A. SETTLED EXPECTATIONS AND OTHER FACTORS FAVOR INSTITUTION

1. Patent Owner’s “gamesmanship” accusations are baseless

Patent Owner’s central claim is that Petitioners engaged in gamesmanship by supposedly knowing of the WD Actions and deliberately delaying the ’734 Patent IPR until after an unfavorable jury verdict in the First Western Digital Action concerning the ’864 and ’997 Patents and over one year after Patent Owner initiated the Second Western Digital Action concerning the ’734 Patent. Paper 6, pp. 6-8. This allegation is false.

Petitioners were never parties to the WD Actions, including the Second WD Action that involved the ’734 Patent. Ex-1038, ¶ 2. Neither Patent Owner nor WD ever sought discovery or served a subpoena seeking any information from

Petitioners. *Id.*, ¶¶ 3-4. WD never sought indemnity, help, or support of any kind from Petitioners. *Id.*, ¶ 5. Petitioners were not involved in any way in the WD Actions. *Id.*, ¶¶ 2-7, 9-10. Patent Owner's claim that Petitioners "should have known" about the WD Actions is therefore pure speculation unsupported by evidence and contradicted by Patent Owner's own conduct in the WD Actions. Further, when it thought that it best suited its strategic goals in the Resonac DJ Action, Patent Owner itself claimed that it never sought to involve suppliers like Petitioners: "Indeed, MRT's enforcement efforts have been directed at HDD manufacturers, with no indication that MRT has ever intended to sue Resonac or any other media supplier." Ex-1045 at 2:14-16; *see also id.* at 13:1-3 ("MRT has targeted its enforcement efforts exclusively at HDD manufacturers, never threatening Resonac or any other upstream supplier.").

After Petitioners became aware of the Seagate and Toshiba Actions, they grew concerned that Patent Owner was systematically suing customers while avoiding naming or involving Petitioners. Thereafter, Petitioners actively reviewed the Challenged Patents, engaged counsel, conducted prior art searches, prepared and filed IPR petitions, and initiated the Resonac DJ Action against Patent Owner. Ex-1038, ¶ 12. Petitioners acted diligently, completing their review and filing their IPRs and DJ Action in less than six months. There was no unreasonable delay and Patent Owner offers no evidence to the contrary. *See* Paper 6, p. 7.

Patent Owner next attempts to invoke the one-year statutory time bar, but its treatment of the issue is cursory and unsupported. Paper 6, pp. 7-8. Patent Owner offers no evidence, or even an allegation, that WD is a real party-in-interest (RPI) or privy of Petitioners. Therefore, the one-year bar does not apply, and Petitioners were not required to file within one year of Patent Owner serving its complaints on WD.

Finally, the record shows that Patent Owner pursued a litigation strategy aimed at suing downstream customers while avoiding the upstream supplier best positioned to address the asserted patents. Patent Owner should not be allowed to game the patent system by trying to immunize itself from IPRs by intentionally not involving Petitioners, who Patent Owner admits it knew was a supplier in its earlier case, then waiting several more years to sue another customer, and then claiming settled expectations that their patents would not be challenged by Petitioners. Paper 6, pp. 6-7.

2. WD's jury verdict on different patents cannot bind a nonparty in a later PTAB proceeding

Patent Owner argues that institution should be denied because a jury in the First WD Action found the independent claims of the '864 and '997 Patents valid. Paper 6, pp. 4-6. The '734 Patent, however, was not before the jury, and Petitioners were not parties to that action. As a result, the jury verdict cannot have preclusive effect in this proceeding.

Patent Owner's argument also rests on an incorrect characterization of claim

scope. Contrary to Patent Owner's contention, claim 1 of the '734 Patent is not narrower than claim 1 of the '864 and '997 Patents. Claims 1 of the '864 and '997 Patents recite that "[said nucleation host] comprises ferromagnetic layers **with increasing anisotropy constant K from layer to layer.**" See Ex-2009. The corresponding limitation in claim 1 of the '734 Patent recites that "[said nucleation host] comprises at least a first ferromagnetic layer with an anisotropy constant K1 and a second ferromagnetic layer between the first ferromagnetic layer and the hard magnetic storage layer **with an increased anisotropy constant K2 greater than K1.**" *Id.* Based on the plain claim language, the '734 limitation is less restrictive and therefore broader than the corresponding limitations in the '864 and '997 claims. Because the First WD Action's jury verdict did not address the '734 Patent and did not involve narrower claims, Patent Owner's claim scope argument cannot support issue preclusion or denial of institution here.

Moreover, Petitioners were never parties to the WD Actions, and WD is not a RPI or privy of Petitioners in these IPR proceedings. Ex-1038, ¶¶ 2-7, 9-10. As a result, the WD verdict has no preclusive or discretionary effect on Petitioners' statutory right to seek PTAB review, regardless of the claim scope relationship between the '734 Patent and the '864 and '997 Patents. *WesternGeco LLC v. ION Geophysical Corp.*, 889 F.3d 1308, 1321 (Fed. Cir. 2018) (affirming that "a contractual and fairly standard customer-manufacturer relationship...is [not]

sufficiently close [such] that both should be bound by the trial outcome and related estoppels...”). Moreover, Patent Owner settled the WD Actions before the validity determinations were tested in post-trial briefing or on appeal.

In protecting its own interests, Petitioners are justified in bringing the present IPR proceedings. Rather than pursue a claim against Petitioners, who make and supply accused media, Patent Owner has engaged in serial litigations against Petitioners’ customers. Any alleged “inefficiencies” due to multiple proceedings are a problem of Patent Owner’s own making. In contrast, these IPR proceedings, together with the parallel Resonac DJ Action, promote efficiency and reduce overall litigation costs because a determination of invalidity or noninfringement will preclude Patent Owner from bringing future serial patent infringement actions against Petitioners’ customers on the same patents and similar accused technology.

It would also be fundamentally unfair and prejudicial to deny institution of Petitioners’ IPR petitions based solely on the fact that one of Petitioners’ customers, representing only a small portion of Petitioners’ business, failed to successfully defend itself against some of the challenged patents without Petitioners’ involvement. Moreover, the WD Actions involved different magnetic recording media than the products later accused in the Seagate and Toshiba actions. Ex-1038, ¶ 8. Nothing about the earlier WD Actions would have put Petitioners on notice that Patent Owner would subsequently expand its campaign to different customers and

different products. *Id.*, ¶ 11. Denying institution based on WD's unsuccessful defenses would effectively bind Petitioners and their other customers to a district court outcome in a case in which they were not parties and had no involvement. That result would force repeated litigations of the same patents against other customers and is inconsistent with the efficiency concerns underlying *Fintiv*.

3. Patent Owner cannot have a settled expectation that Petitioners would not challenge the '734 Patent

Patent Owner contends that it had a settled expectation that the '734 Patent would not be challenged by Petitioners because Petitioners did not seek IPR challenging the '864 and '997 Patents while the First WD Action was pending or the '734 Patent while Second WD Action was pending. Paper 6, pp. 5-7. Nothing, however, supports such a purported settled expectation by Patent Owner.

As detailed above, Petitioners were never parties to the WD Actions. Neither Patent Owner nor WD contacted Petitioners in any way concerning the '864, '997, and/or '734 Patents. Ex-1038, ¶¶ 2-7, 9-10. Patent Owner is wrong to tell the Board that Petitioners were aware of the WD Actions. Even had Petitioners been aware of the Second WD Action (where Patent Owner asserted the '734 Patent for the first time), not challenging the '734 Patent at the PTAB should not create any expectation for Patent Owner that Petitioners would never challenge these two patents, because it is unreasonable to expect a supplier to challenge every patent asserted against its customer when the customer did not make any indemnity demand and the Patent

Owner avoided notifying, subpoenaing, or involving the supplier in the suit.

Patent Owner also asserts a purported settled expectation that the '734 Patent would not be challenged at PTAB, based on the incorrect premise that its sole independent claim is narrower than the claims of the '864 and '997 Patents found valid in the First WD Action. As explained above, that premise is wrong. The '734 Patent claims are *not* narrower than the '864 and '997 Patents' claims.

4. Patent Owner's "multiple bites at an apple" theory also fails

Patent Owner contends that Petitioners want multiple bites at the apple by failing to offer a stipulation addressing overlap with the Seagate Action, the Toshiba Action, and the Resonac DJ Action. Paper 6, pp. 9-10. That argument is misplaced. Petitioners are parties only to the Resonac DJ Action, where invalidity is not currently at issue. To address the possibility that invalidity may later be at issue in the Resonac DJ Action, Petitioners provide a *Sotera* stipulation with this opposition, eliminating any potential future overlap. *See* Ex-1037. Petitioners are not parties to the Seagate and Toshiba Actions. Patent Owner cannot rely on litigations involving unrelated defendants to contend that the Petitioners are getting "multiple bites."

5. Patent Owner's xenophobic arguments must be rejected

Patent Owner repeatedly emphasizes that Petitioners are "Japan-based," and suggests that Petitioners somehow exploited U.S.-based WD. Paper 6, p. 11. That framing is both false and irrelevant. As mentioned below, the record shows that

Patent Owner pursued a litigation strategy aimed at suing downstream customers while avoiding the upstream supplier best positioned to address the asserted patents on a portfolio-wide basis. Petitioners were not parties to the WD Actions, were not notified of those cases, were not asked to indemnify WD, and were not subpoenaed. Once aware of Patent Owner's litigations against Seagate and Toshiba, Petitioners acted promptly and transparently by seeking IPRs and filing the Resonac DJ Action.

Moreover, nothing in the AIA or PTAB practice guide treats nationality as a factor in institution decisions. What does matter is efficiency and fairness. Allowing Patent Owner to leverage prior customer litigation to shield its patents from PTAB review by the actual supplier would incentivize precisely the kind of gamesmanship the IPR system was designed to prevent.

Petitioners' substantial U.S. presence further underscores the irrelevance of Patent Owner's rhetoric. For example, Resonac America, Inc. is a California corporation, is a plaintiff in the Resonac DJ Action, and services U.S. customers.

As such, Patent Owner's effort to recast its own customer-focused litigation strategy as misconduct by Petitioners should be rejected.

B. The *FINTIV* FACTORS FAVOR INSTITUTION

1. Factor 1: The likelihood of a stay favors institution or is neutral

Patent Owner acknowledges that Factor 1 is at least neutral because no stay has been granted in any of the pending litigations. Paper 6, p. 13. The Toshiba Action

is pending in the Central District of California before Judge Selna, who has granted motions to stay pending PTAB proceedings in over 70 percent of his cases. *See Ex-1039*. The Northern District of California, where the Resonac DJ Action is pending, grants stays pending PTAB proceedings 60% of the time. *See Ex-1040*. Therefore, there is a high likelihood that one or more of the pending litigations will be stayed.

Therefore, Factor 1 favors institution or is at least neutral.

2. Factor 2: The parallel trial date strongly favors institution

All three pending cases are in their early stages and none has a case management schedule set, let alone a trial date. Patent Owner acknowledges that no “significant progress” has happened in the Seagate and Toshiba Actions. Paper 6, p. 14. The Resonac DJ Action was initiated after filing of the petition in the present proceeding. Therefore, Patent Owner cannot establish that any court has a trial date that is before or even soon after the expected date of the final written decision for any pending district court litigation. Even if one is to speculate, the trial dates for all three pending cases will be many months or even years after the expected date of the final written decision, i.e., after April 2027.¹ *See RODE Microphones, LLC v. Zaxcom, Inc.*, IPR2025-00231, Paper 23 (finding factor 2 against denial when “there

¹ The median time to trial is around two years in all forums where the three district court cases are pending. *See Ex-1046, Ex-1047, Ex-1048*.

is no trial date set in the district court case”) (PTAB Jun. 16, 2025).

Patent Owner improperly attributes delay in the Seagate and Toshiba Actions to procedural motions filed by those defendants. Scheduling decisions, however, are made by the court, not the parties. Further, Patent Owner itself has taken steps to stall progress of both the Toshiba and Resonac DJ Actions. For example, in response to Toshiba’s motion to dismiss in the Toshiba Action, Patent Owner chose not to amend its complaint in favor of waiting for the Toshiba court to first rule on the motion, resulting in no material progress in the intervening time frame (e.g., no scheduling conference, no discovery). Ex-1043, p. 2 (Dkt. Nos. 24-28). Further, in view of the Resonac DJ Action filed October 9, 2025, Toshiba promptly filed a motion to stay on October 31, 2025. *Id.*, p. 3 (Dkt. No. 31). Instead of moving forward with the motion briefing to get a faster decision, Patent Owner insisted on first taking a deposition of a Japan-based Toshiba witness who submitted a declaration in support of Toshiba’s motion to stay, which required that the case management conference be moved from December 8, 2025 to March 2, 2026. *Id.* (Dkt. Nos. 33- 35). In the Resonac DJ Action, Patent Owner appears to have no intention of moving the case forward promptly. For example, Patent Owner never responded to Petitioners’ October 14, 2025, request to Patent Owner to waive service through the Hague Convention, resulting in avoidable delay. After Petitioners were finally able to serve Patent Owner through the Austrian Authority on November 6,

2025, Patent Owner requested an extension of time to respond to the complaint—initially seeking a 60-day extension before accepting a 30-day extension. Rather than answering the complaint to ensure that resolution on the merits can begin in earnest, Patent Owner chose to move to dismiss. Ex-1044, p. 2 (Dkt. No. 25). In summary, Patent Owner’s own actions have delayed both the Toshiba and Resonac DJ Actions and they are not in a position to blame other parties for such delays. In any event, Petitioners are not parties to either the Seagate or Toshiba Action, so Patent Owner’s accusations of delay by Seagate or Toshiba are wholly immaterial.

Therefore, Factor 2 favors institution.

3. Factor 3: The investment in parallel proceedings strongly favors institution

As mentioned, all three pending district court cases are in their early stages and the parties have invested little thus far. For all three actions, fact discovery has not begun, nor has any claim construction briefing. None of the courts have been asked to consider any dispositive motions on the prior art that would overlap with the present proceeding. This factor weighs against exercising discretion to deny institution where “much more work remains [in the district court litigation], including, expert reports, expert discovery, expert depositions, and pretrial motions and disclosures.” *Bio-Rad Lab’ys, Inc. v. Cal. Inst. of Tech.*, IPR2024-01451, Paper 11 at 10 (PTAB Mar. 27, 2025); *see also Sand Revolution II, LLC v. Continental Intermodal Grp. – Trucking LLC*, IPR2019-01393, Paper 24 at 11 (PTAB Jun. 16,

2020). As also explained above, Patent Owner improperly blames procedural motions in the Toshiba and Seagate Actions for delay in the respective case (rather than acknowledging its own delay), and Petitioners are neither parties to nor involved with either case. Therefore, Factor 3 favors institution.

4. Factor 4: The overlap between this IPR and the district court proceeding strongly favors institution because Petitioner has submitted a *Sotera* stipulation

Patent Owner's argument under Factor 4 rests on the absence of a *Sotera* stipulation. That premise is no longer correct, as Petitioners provide a full *Sotera* stipulation with this opposition. Ex-1037. The *Sotera* stipulation "weighs strongly in favor of not exercising discretion to deny institution" because it "mitigates any concerns of duplicative efforts between the district court and the Board." *Sotera Wireless, Inc., v. Masimo Corp.*, IPR2020-01019, Paper 12 at 19.

Factor 4 weighs even more strongly in favor of institution here because invalidity is not currently at issue in the Resonac DJ Action. In such a situation, the Board has found there is "no basis on which to determine whether, if patent validity is raised, the same or substantially the same claims, grounds, arguments or evidence will be presented in" the parallel district court action. *Avery Dennison Retail Information Services LLC et al v. EVERYTHING Limited*, IPR2021-01259, Paper 14 at 13 (PTAB Jan. 25, 2022). Thus, there is presently no overlap at all between the issues between the district court case that Petitioners are involved in and those raised

in this IPR, and the *Sotera* stipulation ensures that no overlap will arise should invalidity later become part of that case. The Board routinely finds Factor 4 to favor institution in such situations. *See, e.g., Samsung Electronics Co., Ltd. v. Netlist, Inc.*, IPR2022-00063, Paper 13 at 9 (PTAB May 5, 2022); *see also ResMed Corp. v. Cleveland Medical Devices, Inc.*, IPR2025-00158, Paper 11 at 14 (“equities [do not] weigh against permitting a petitioner who filed a declaratory judgment action of non-infringement...to also file a petition challenging the patentability of the claims.”) (PTAB Jun. 13, 2025).

Patent Owner’s reliance on *Motorola v. Stellar*, IPR2024-01205, is misplaced. In *Motorola*, institution was denied because of “substantial investment in the district court proceeding.” IPR2024-01205, Paper 19 at 4 (PTAB Mar. 28, 2025). As explained above in connection with Factor 3, no such investment exists here. Consistent with the Director’s recent discretionary denial decisions, institution is appropriate where, like here, the district court litigation is at early stage and a *Sotera* stipulation eliminates any potential overlap. *See, e.g.,* IPR2025-01122, Paper 13, Paper 9 at 12-15; IPR2025-01140, Paper 13, Paper 9 at 12-15; IPR2025-01171, Paper 15, Paper 13 at 7-9; IPR2025-01215, Paper 10, Paper 8 at 4-10.

Therefore, Factor 4 favors institution.

5. Factor 5: Whether Petitioners are the same parties in the district court litigation favors institution or at most is neutral

Petitioners are not parties to the Seagate and Toshiba Actions. Patent Owner also references the concluded WD Actions, to which Petitioners likewise were not parties. Patent Owner improperly attempts to expand the “same party” inquiry under *Fintiv* Factor 5 to encompass a supplier relationship, but PTAB precedent makes clear that supplier status alone does not establish RPI or privity for purposes of an IPR. *See, e.g., Berkshire Hathaway Energy Company et al v. Midwest Energy Emissions Corp.*, IPR2025-00278, Paper 49 at 19 (finding that “a standard supplier/customer relationship” does not establish RPI or privity) (PTAB Sep. 8, 2025); *Toshiba Memory Corporation et al v. Anza Technology, Inc.*, IPR2018-01597, Paper 56 at 15 (PTAB Mar. 12, 2020). Patent Owner does not allege, and offers no facts demonstrating, that Petitioners exercised control over the Seagate, Toshiba, or WD Actions, funded or directed those defenses, or were otherwise in privity with those defendants under the standards applicable in PTAB proceedings. Nor does Patent Owner identify any evidence of control over litigation strategy, decision-making authority, or other indicia required to establish RPI or privity in the IPR context because no such evidence exists. Absent such a showing, litigation involving separate defendants cannot be attributed to Petitioners under Factor 5.

In any event, even if Factor 5 were to weigh in favor of discretionary denial,

it would not be dispositive and cannot outweigh the other factors favoring institution. *See, e.g., Cisco Sys., Inc. v. WSOU Invs.*, IPR2025-00188, Paper 10 at 17, 23 (PTAB Jun. 13, 2025) (instituting *inter partes* review even though the same parties were involved in the proceedings before the Board and the district court).

Therefore, Factor 5 favors institution or is at least neutral.

6. Factor 6: Other considerations, including the merits, favor institution

The Petition presents strong merits-based challenges to the validity of the '734 Patent. Patent Owner's request for discretionary denial does not address the merits of the Petition at all and instead offers only the conclusory assertion that "the Petition fails to present any compelling merits of unpatentability [because] [t]he Petition does not present anticipatory prior art under §102." Paper 6, p. 16. This is legally incorrect. Petitions asserting obviousness-only grounds are routinely instituted, and IPR statistics confirm that obviousness challenges are at least as successful as anticipation challenges. According to Lex Machina statistics, among IPRs that proceed to a final written decision, petitions asserting obviousness under Section 103 result in all challenged claims being found unpatentable approximately 80 percent of the time, compared to approximately 76 percent for petitions asserting anticipation under Section 102. *See Ex-1042.*

Notably, Patent Owner does not identify any specific weakness in the Petition's obviousness grounds. Patent Owner's failure to engage with the actual

merits of the Petition further confirms that this proceeding presents a substantive and non-duplicative challenge to patentability that warrants institution.

Patent Owner also contends that Petitioners' unpatentability challenge is weak because Petitioners rely on "140 pages of expert testimony," which is "extensive." Paper 6, p. 11. Such criticism is entirely misplaced. It is well established that expert testimony is routinely submitted in support of IPR petitions, and the length of an expert declaration is not a measure of the strength or weakness of the underlying merits. Indeed, the Board has previously found a 439-page declaration challenging only a total of nine claims appropriate, noting that "[b]ecause the challenged patent's subject matter is complex, Petitioner's challenge requires extensive explanation." *Volkswagen Group of America, Inc. et al v. Arigna Technology Limited*, IPR2021-01321, Paper 10 at 6 (PTAB Feb. 15, 2022) (discussing Paper 9 at 3). Contrary to Patent Owner's suggestion, Petitioners' expert's detailed declaration reflects substantive, independent analysis rather than mere repetition of the Petitions' arguments and provides thorough factual and technical support for the asserted unpatentability grounds involving complex magnetic recording technology.

As explained above, Patent Owner had no "settled expectation" that Petitioners would not challenge the validity of the '734 Patent. As also explained above, Patent Owner's "multiple bites at the apple" argument must fail because Petitioners are not parties to the Seagate and Toshiba Actions, and any overlap

between the Resonac DJ Action and the present proceeding is eliminated by the provided *Sotera* stipulation.

Therefore, Factor 6 favors institution.

Under these circumstances, discretionary denial is not appropriate. *See CrowdStrike, Inc. v. Open Text Inc.*, IPR2023-00289, Paper 7 at 17 (PTAB Jul. 21, 2023) (declining to deny institution where “no *Fintiv* factor weighs in favor of exercising [] discretion to deny institution”).

IV. CONCLUSION

Petitioners have provided a full *Sotera* stipulation that eliminates any potential overlapping issues with the co-pending Resonac DJ Action and *Fintiv* Factor 4 favors institution. As explained, the remaining *Fintiv* factors also favor institution because all pending district court cases are at an early stage, no trial date has been set, and the parties’ investment is minimal. Petitioners never engaged in gamesmanship as Petitioners were not involved in any way in the WD Actions. Patent Owner’s accusations lack evidentiary support and improperly rely on speculation and rhetoric.

For the foregoing reasons, Petitioners respectfully request that the Director decline to exercise discretion to deny institution and permit the Petition to be evaluated on its merits, consistent with the AIA’s purpose and PTAB precedent.

Dated: January 8, 2026

Respectfully Submitted,

/ Dion M. Bregman /

Dion M. Bregman, Reg. No. 45,645

CERTIFICATION OF COMPLIANCE WITH PAGE LIMITS

This brief complies with the 20-page limit requirement permitted for a petitioner’s opposition to the patent owner’s discretionary denial brief filed after September 1, 2025. *See* PTAB Interim Director Discretionary Process available at <https://www.uspto.gov/patents/ptab/interim-director-discretionary-process> (Section III.C.iii “Page limit”). Accordingly, pursuant to 37 C.F.R. 42.24(d), lead counsel for the Petitioners hereby certify that this brief complies with the page limits established for a petitioner’s opposition to the patent owner’s discretionary denial brief.

Dated: January 8, 2026

Respectfully Submitted,

/ Dion M. Bregman /
Dion M. Bregman, Reg. No. 45,645

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. 42.6(e)(4), lead counsel for Petitioners hereby certifies that on January 8, 2026, copies of this PETITIONERS' OPPOSITION TO PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL and all supporting exhibits were served via email to the counsel of record:

James A. Milkey jmilkey@raklaw.com
Dale Chang dchang@raklaw.com

rak_mr_technologies@raklaw.com

Dated: January 8, 2026

Respectfully Submitted,

/ Dion M. Bregman /
Dion M. Bregman, Reg. No. 45,645