

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Klein Tools, Inc.
Petitioner,

v.

Milwaukee Electric Tool Corporation,
Keter Home and Garden Products Ltd.,
Patent Owners.

Case IPR2024-01401
U.S. Patent No. 11,794,952

**PATENT OWNERS' SUPPLEMENTAL BRIEF REGARDING *FINTIV* FOR
INTER PARTES REVIEW OF U.S. PATENT NO. 11,794,952**

Patent Owners' Supplemental Brief Regarding *Fintiv*

Prior to the USPTO's June 2022 memorandum,¹ the Board had discretion to—and did—deny institution of IPRs based on parallel ITC proceedings.² It was the 2022 Memo that directed the PTAB to “no longer discretionarily den[y] petitions based on applying *Fintiv* to a parallel ITC proceeding.” 2022 Memo, 7. With the 2022 Memo rescinded, the Board returns to the statutory authority under Section 314(a), as set forth in *Fintiv*, to deny institution in light of parallel ITC proceedings.³

As discussed below, each of the *Fintiv* factors favors denial, and thus the balance of the factors support denial. The ITC investigation's advanced stage is decisive, as the trial between the *same* parties involving this *same* patent has concluded, and an initial determination is expected in June 2025, well before a final written decision in this matter.

¹ Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation (“2022 Memo”)

² See, e.g., *Garmin International, Inc. v. Koninklijke Philips N.V.*, IPR2020-00754, Paper 11 (PTAB Oct. 27, 2020) (denying institution); *Comcast Cable Communications, LLC v. Rovi Guides, Inc.*, IPR2020-00800, Paper 10 (PTAB Oct. 22, 2020) (denying institution).

³ *Apple v. Fintiv*, IPR2020-00019, Paper No. 11 (PTAB precedential).

A. Facts

The '952 patent has been asserted against Petitioner in the following cases: *Milwaukee Electric Tool Corporation et al. v. Klein Tools, Inc.*, 337-TA-1409 (“ITC investigation”); and *Milwaukee Electric Tool Corporation et al. v. Klein Tools, Inc.*, 1:24-cv-04928 (N.D. Ill.) (“District Court case”) (statutorily stayed pending the ITC Investigation). Patent Owner respectfully requests denial under *Fintiv* based on the ITC investigation.

In the ITC investigation, all claims were originally asserted and subsequently challenged by Klein. On September 27, 2024, Klein served invalidity contentions that included the *same* grounds of invalidity as those pursued against the asserted claims in its IPR petition. Klein did not drop any of those grounds until it served its invalidity expert report on December 4, 2024. As part of case narrowing, claims 3, 4, 8, and 16 of the '952 patent were ultimately asserted at the ITC trial. These dependent claims include the limitations of independent claims 1 and 9. At trial, Klein asserted that claims 3, 4, 8, and 16 are obvious over “The Auer System” (not at issue in this proceeding) in view of Bensman and Lifshitz (not at issue in this proceeding) and, also, over Burchia in view of Bensman and Lifshitz. The ITC trial concluded on February 14, 2025, with an initial determination expected by June 20, 2025.

B. Discretionary Denial Based on a Parallel ITC investigation

The USPTO recently rescinded the 2022 Memo, including its directive that the PTAB will not deny institution of an IPR or PGR under *Fintiv* based on a parallel ITC proceeding. This rescission expressly states that “the Memorandum shall not be binding or persuasive on the PTAB,” and that “Parties to post-grant proceedings should refer to Patent Trial and Appeal Board (PTAB) precedent for guidance, including *Apple Inc. v. Fintiv, Inc.*” *Id.*

Accordingly, “[i]n exercising the Director’s discretion under 35 U.S.C. § 314(a), the Board may consider events in other proceedings related to the same patent, [including in] the ITC.” *Fintiv*, quoting the Consolidated Trial Practice Guide November 2019 (internal quotation marks omitted). Thus, the decision to deny institution due to a parallel ITC proceeding hinges on the *Fintiv* factors.

C. *Fintiv* Factors***Whether the ITC granted, or may grant, a stay if an IPR is instituted***

Neither side has requested a stay of the ITC investigation. Given the advanced state of the ITC investigation (namely that the ITC trial has concluded, with an initial determination expected by June 20, 2025), a stay in the ITC investigation is extremely unlikely. This factor favors denial.

Proximity of the ITC’s trial date to the PTAB’s projected statutory deadline for a final written decision. The ITC trial has concluded, and its initial

Patent Owners' Supplemental Brief Regarding *Fintiv* determination is expected nearly ten months before the Board's final written decision. This factor favors denial.

Investment in the ITC proceeding by the court and the parties. Given the conclusion of the ITC trial, the parties and the court have already invested heavily in the parallel ITC investigation. As a matter of fairness and efficiency, this factor favors denial.

Overlap between issues at the ITC and in the Petition. Despite only a subset of the claims being tried at the ITC, Petitioner is clearly using this IPR to revive invalidity contentions it abandoned at the ITC. Notably, two references (Burchia and Bensman) from the ITC investigation reappear here. Further, the two claims asserted at trial, include the limitations of independent claims 1 and 9 in the '952 patent. Moreover, given the timing of the two cases, the Federal Circuit is extremely likely to issue its opinion on the ITC Investigation before a final written decision in this case, and certainly before the Federal Circuit issues its opinion on the final written decision in this case. As such, the ITC Investigation and the corresponding Federal Circuit opinion will already address many of the limitations of the challenged claims. This fact renders this IPR proceeding a waste of resources, favoring denial.

Whether the Petitioner and the Defendant in the ITC are the same party. The parties in the ITC case are the same, thus favoring denial.

Other circumstances that impact the PTAB's exercise of discretion,

including the merits. As described in the Patent Owner's Preliminary Response and Patent Owner's Preliminary Sur-reply, the merits of the Petition are weak. The Petition relies on, and attempts to resuscitate, with Burchia and Metabowerke, subject matter that has already been thoroughly considered and rejected by the Office. Moreover, the Office was correct in issuing the '952 patent over these references, as neither reference discloses or renders obvious multiple limitations, including limitations 1[c] and 1[l]. The Petition does nothing to remedy this shortcoming. Given the weak merits of the Petition, this factor also favors denial.

D. Conclusions

Each *Fintiv* factor thus favors denial. "Institution of an inter partes review under these circumstances would not be consistent with 'an objective of the AIA . . . to provide an effective and efficient alternative to district court litigation [or in this case an ITC Investigation].'" *NHK Spring Co. v. Intri-Plex Techs, Inc.*, IPR2018-00752, Paper 8 (PTAB Sept. 12, 2018) (precedential) (citing *Gen. Plastic Indus. Co., Ltd. v. Canon Kabushuki Kaisha*, IPR2016-01357, Paper 19, 16–17 (PTAB Sept. 6, 2017) (precedential in relevant part)). Thus, "efficiency, fairness, and the merits support the exercise of authority to deny institution." *Fintiv* at 8.

Dated: March 18, 2025

Respectfully Submitted,

/ Dion M. Bregman /

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

CERTIFICATION OF LENGTH (37 C.F.R. § 42.24(D))

The undersigned hereby certifies that this document is 5 pages and thus complies with the applicable page limit.

Dated: March 18, 2025

Respectfully Submitted,

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Patent Owners' Supplemental Brief Regarding *Fintiv*
CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e)(4), lead counsel for Patent Owners hereby certifies that on March 18, 2025 a copy of this Supplemental Brief Regarding *Fintiv* was served to the email correspondence address of record for Petitioner's counsel of record:

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