

Filed on behalf of: Dabico Airport Solutions Inc.

Entered: July 16, 2025

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

DABICO AIRPORT SOLUTIONS INC.,
Petitioner,

v.

AXA POWER APS,
Patent Owner.

Case IPR2025-00408
Patent 9,771,169

PETITIONER'S REQUEST FOR DIRECTOR REVIEW

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I. INTRODUCTION

Petitioner Dabico Airport Solutions Inc. (“Dabico”) respectfully requests that the Director vacate the decision denying institution of inter partes review (Paper 21, “Decision”) and either refer the proceeding to the PTAB or, at minimum, provide Dabico with an opportunity for additional briefing to address the novel standards for discretionary denial announced in the Decision. In denying the Petition, the Decision changed USPTO policy with no prior notice and no opportunity to be heard. For the reasons that follow, the Decision abused the Director’s discretion.

II. DIRECTOR REVIEW SHOULD BE GRANTED TO CORRECT THREE ABUSES OF DISCRETION.

The Decision abused discretion in three ways. *First*, the Decision abused discretion by denying institution based on issues that the Patent Owner did not raise in its request for denial. By raising these issues for the first time in its Decision, the Board contradicted stated USPTO policy that Patent Owner must request relief for the Director to consider it under the new bifurcated process. *Second*, the Decision abused discretion by applying new factors to the analysis of “settled expectations” without allowing Petitioner notice and an opportunity to be heard. The Acting Director’s approach here contrasts with her approach in *Ecto World*, and the USPTO’s approach in *Fintiv*, both of which allowed petitioners additional briefing to address new frameworks for discretionary denial. *Third*, the Decision abused discretion by finding “settled expectations” on the facts of this case. Specifically,

the Acting Director has elsewhere declined to apply discretionary denial for 12–17 year old patents—even though either the patent owner had asserted “settled expectations” or the petitioner never addressed “settled expectations.” Moreover, to the extent the Acting Director intends to promote post-grant review (PGR), that issue is inapplicable here where the ’169 patent was never eligible for PGR.

A. The Decision abused discretion by denying institution on “settled expectations” without Patent Owner requesting such denial.

The Decision abused discretion by failing to apply consistently-stated USPTO policy requiring Patent Owners to request relief. In the Decision, the Acting Director denied institution due to “settled expectations.” Decision 2. Patent Owner, however, did not request discretionary denial based on “settled expectations.” Instead, the Decision faults *Petitioner* for not addressing this issue in its opposition to Patent Owner’s request. Decision 3.

Before the Decision, the Office’s consistent guidance reflected a policy requiring Patent Owners to request discretionary relief. For example, the Office conducted a webinar where the USPTO representative was asked by an audience member whether a petitioner needed to address issues that “a patent owner’s discretionary denial briefing does not mention.” USPTO, *PTAB Boardside Chat: Interim processes relating to institution in AIA proceedings*, at 27:43–28:53 (YouTube, Apr. 28, 2025), <https://www.youtube.com/watch?v=TwaTg4pbfPg&t=1663s>. The USPTO representative stated “if a patent owner hasn’t raised

a particular issue, I don't foresee the director trying to make up a case for that issue.... [T]he director is going to rely primarily on the parties to bring the issues before them, just like a board panel does on merits decisions." *Id.* Further confirming that policy, the representative stated that just as "[t]he board panel isn't going to make a case for a petitioner or a patent owner... we would expect the same thing in the discretionary briefing." *Id.*

As another example, the Office published a FAQ that states "If a patent owner would like the Office to consider discretionary denial arguments, it **must** file a discretionary denial brief and **address such issues in that brief.**" USPTO, *FAQs for Interim Processes for PTAB Workload Management*, FAQ#23, <https://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management> ("FAQs"). Indeed, the Office consistently styled Patent Owner's brief as a "request" and Petitioner's brief as an "opposition." See Coke Morgan Stewart, *Interim Processes for PTAB Workload Management*, at 2 (Mar. 26, 2025) ("petitioner may file an opposition brief") ("Stewart Memo"); Paper 6 at 2 (same). Additionally, in the absence of a "request" by a patent owner, the Director will not even consider discretionary denial. FAQs at FAQ#9 ("If a patent owner chooses not to file a discretionary denial brief, the Director will not issue a decision on discretionary considerations."). The clear implication of USPTO guidance before the Decision is that unrequested issues will not be considered.

Patent Owner indisputably did not address “settled expectations” or the age of the patent in its “request” and therefore it was not entitled to any such relief based on the Office’s own guidance. Dabico thus had no reason to address “settled expectations,” based on the Office’s own guidance, which deemed the Patent Owner addressing this issue a must. The Decision’s granting *unrequested relief*, contrary to its previous guidance, was an abuse of discretion.

B. The Decision abused discretion by changing USPTO policy without providing Dabico an opportunity to be heard.

The Decision denied institution based on new policies surrounding “settled expectations” that had never been announced by the Office. The Decision abused discretion by applying these new policies against Petitioner with no notice or opportunity to be heard.

At the time the parties briefed discretionary denial in this case, “settled expectations” had never been applied for discretionary denial in the more than 18,000 IPR petitions spanning the more than 12 years of the PTAB. In the context of PTAB trials, the term “settled expectations” first appeared in the Acting Director’s March 26 Memorandum on the new bifurcated process without any additional explanation, including no discussion of what factors the Acting Director would consider for “settled expectations” aside from “length of time the claims have been in force.” Stewart Memo at 2. With no guidance about what “length of time” was relevant or other factors influencing the Acting Director’s consideration of

“settled expectations,” Patent Owner did not raise “settled expectations” in its brief, and thus Petitioner had no facts or argument to rebut on this issue.

Not until the Decision in this proceeding did the public find out that the Director would consider the mere age of an 8-year-old patent without any evidence of prior knowledge by the Petitioner to be sufficient to create “settled expectations.” Nor did the public find out, until this Decision, that the Director would require Petitioners to counterbalance these facts in its Opposition Brief without any such argument being raised by the Patent Owner.

It was an abuse of discretion to apply these new policies to Petitioner without allowing Petitioner an opportunity to be heard. Out of fairness and an opportunity to respond, the Office has consistently allowed parties additional briefing where new legal standards were announced. In *EctoWorld, LLC v. RAI Strategic Holdings, Inc.*, when the Acting Director established new precedential guidance on discretionary denial, she acknowledged the creation of a new rule and allowed the Petitioner additional briefing to address it. IPR2024-01280, Paper 13 at 7 (Stewart May 19, 2025) (“[T]his case is remanded to the Board with instructions to allow Petitioner and Patent Owner additional briefing.”).

Unlike this Decision, when the Office developed the *Fintiv* framework, it did not simply announce them *sua sponte* and deny institution. To the contrary, the Office announced the *Fintiv* Factors and allowed the petitioner supplemental

briefing to address those factors. *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 2 (“*[S]upplemental briefing on the issue of discretionary denial is necessary in this case to give Petitioner an opportunity to respond.*” This Order discusses the factors relevant to the Board’s decision on whether to apply its discretion... [and] *authorizes the parties to file supplemental briefing* addressing facts in this case relevant to those factors.”) (precedential) (emphasis added).

The same fairness principles that justified additional briefing in *EctoWorld* and *Fintiv* apply with equal force here, where the Acting Director announced multiple new policies that fundamentally alter the discretionary denial analysis without any prior notice or opportunity for Petitioner to respond.

C. The Decision abused discretion by finding “settled expectations” on the facts.

With no briefing from either party on settled expectations, the Acting Director appears to have focused on the mere age of the patent without considering any other facts. To the extent the Acting Director's decision was influenced by her publicly stated preference for post-grant review over inter partes review, such consideration was not applicable in this case. In particular, the '169 patent issued from an application filed in 2010, and thus the '169 patent was never eligible for post-grant review, making any preference for that procedure irrelevant to the discretionary denial analysis. Nevertheless, Dabico filed its Petition early after being sued in India, not waiting to be sued in the United States.

Additionally, the Acting Director has declined to apply discretionary denial in other similarly-situated cases. For example, in *Amazon.com, Inc. v. NL Giken Inc.*, the Acting Director referred to the PTAB a petition against a 12-year-old patent based solely on an analysis of the timing of a final written decision in relation to an expected trial date in district court. IPR2025-00250, Paper 14 at 2 (Stewart May 16, 2025). And unlike this case, the Patent Owner in *NL Giken* explicitly requested denial based on settled expectations. IPR2025-00250, Paper 10 at 11 (Apr. 4, 2025).

Similarly, in *Microsoft Corp. v. XI Discovery, Inc.*, the Acting Director declined to apply discretionary denial against a 17-year-old patent based on the lack of a trial date, minimal district court investment, and the Petitioner's arguments under § 325(d). IPR2025-00253, Paper 13 (Stewart June 25, 2025). The petitioner in *Microsoft* never addressed "settled expectations" or the age of the patent, and the Acting Director did not fault the petitioner for that.

Similar to *Microsoft*, there is no trial date to risk duplicated efforts, and Dabico showed in its Opposition Brief that the Petition presented new prior art that directly addressed the reasons for allowance stated by the Examiner. Paper 17 at 6–12. The Acting Director appeared to have agreed with Dabico, concluding that "Patent Owner's arguments regarding 35 U.S.C. § 325(d) are unpersuasive." Decision at 2.

The denial of Dabico's Petition based on "settled expectations" under the facts of this case was an abuse of discretion and should be vacated.

III. CONCLUSION

For the foregoing reasons, Dabico respectfully requests the Acting Director's decision denying institution of inter partes review to be vacated and referred to the PTAB or, alternatively, to be allowed additional briefing on the new policies announced in the Decision.

Respectfully submitted,

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), I certify that on this 16th day of July, 2025, a true and correct copy of the foregoing **Petitioner's Request for Director Review** was served by electronic mail on Petitioner's lead and backup counsel at the following email addresses:

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