

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MILWAUKEE ELECTRIC TOOL CORPORATION,
Petitioner,

v.

KLEIN TOOLS, INC.,
Patent Owner.

U.S. Patent No. 11,452,327
Case No. IPR2025-00724

**PETITIONER'S OPPOSITION TO PATENT OWNER'S
DISCRETIONARY DENIAL BRIEF**

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Table of Exhibits
(new exhibits in italics)

Exhibit	Description
Ex-1001	U.S. Patent No. 11,452,327 (“’327 Patent”)
Ex-1002	Declaration of Expert Dr. Per Reinhall
Ex-1003	<i>Curriculum Vitae</i> of Expert Dr. Per Reinhall
Ex-1004	Prosecution History of the application that led to the ‘327 Patent
Ex-1005	U.S. Provisional Application No. 62/622,472 (“’472 Provisional”)
Ex-1006	U.S. Provisional Application No. 62/645,491 (“’491 Provisional”)
Ex-1007	U.S. Patent Application No. 16/246,935 as filed January 14, 2019 (“’935 Application”)
Ex-1008	Comparison of the ’327 Patent and the ’935 Application
Ex-1009	Chinese Utility Model App. No. 201120014896.0 to Yan (“Yan-CN”)
Ex-1010	Klein Tools “Klein Tools’® New Hard Hats Designed for Pros—Safety, Comfort and Fit,” July 23, 2019 (“Klein News Release”)
Ex-1011	Certified Translation of Chinese Utility Model App. No. 201120014896.0 to Yan (“Yan”)
Ex-1012	U.S. Patent No. 9,993,043 to Daley (“Daley”)
Ex-1013	U.S. Patent No. 4,304,009 to Nesbitt et al. (“Nesbitt”)
Ex-1014	German Utility Model App. No. 2020-06007009 to Kiessler (“Kiessler-DE”)
Ex-1015	Certified Translation of German Utility Model App. No. 2020-06007009 to Kiessler (“Kiessler”)
Ex-1016	Complaint in International Trade Commission (ITC) investigation No. 337-TA-1442, titled <i>Certain Glow Fish Tape Systems, Safety Helmet Systems, and Components Thereof</i> (“ITC Complaint”)

Ex-1017	Webpage printout at https://www.osha.gov/Publications/osha3151.pdf (Personal Protective Equipment) OSHA 3151-12R 2004.
<i>Ex-1018</i>	<i>U.S. Patent No. 12,268,265 (“’265 Patent”)</i>
<i>Ex-1019</i>	<i>U.S. Patent Application No. 17/856,628 (“’628 Application”) as filed July 1, 2022, which that led to the ’265 Patent</i>
<i>Ex-1020</i>	<i>Prosecution History of the ’628 Application.</i>
<i>Ex-1021</i>	<i>U.S. Patent Application No. 19/074,885 (“’885 Application”) as filed March 10, 2025</i>
<i>Ex-1022</i>	<i>Declaration of Scott D. Sherwin in Support of Petitioner’s Notice of Intent to Designate Scott D. Sherwin as a Provisionally Recognized PTAB Attorney Eligible for Automatic Pro Hac Vice Admission as Back-Up Counsel</i>
<i>Ex-1023</i>	<i>INV. No. 337-TA-1409, Order No. 22</i>
<i>Ex-1024</i>	<i>INV. No. 337-TA-1409, Order No. 23</i>

1. Introduction

Milwaukee Electric Tool Corp. (“Petitioner”) submits this brief in opposition to the Patent Owner’s Discretionary Denial brief dated July 18, 2025. Discretionary denial is not appropriate for the reasons set forth below.

Petitioner has acted with diligence in challenging all claims of U.S. Patent No. 11,452,327 (“the ’327 Patent”). Petitioner initiated this challenge less than three years after the ’327 Patent’s issuance (Sept. 27, 2022), underscoring its commitment to addressing potential patentability issues in a timely manner. While there is a parallel action at the International Trade Commission (ITC) and in District Court, the District Court litigation is stayed, and Petitioner promptly filed this Petition just one month after the ITC investigation was instituted.

Beyond Petitioner’s diligence in seeking review of the young ’327 Patent, Patent Owner misled the Office during prosecution, eventually leading the Examiner to unfortunately err. Specifically, Patent Owner submitted amended figures to the Patent Office years after filing the application that led to the ’327 Patent to belatedly support its “integrally molded protruding nub”—a feature of all challenged claims that lacks support in the originally filed application materials—and Patent Owner did this without ever informing the Examiner that it had amended the figures. Patent Owner then relied on the amended figures to add new written-description support

for its “integrally molded protruding nub,” thereby misleading the Patent Office and compromising the examination’s transparency and fairness.

In addition to Petitioner’s quick challenge to a young ’327 Patent and the issues around the misleading examination that led to the ’327 Patent meriting the Board’s attention, the grounds for the IPR are robust and have not been previously presented to the Patent Office. All references relied on in the IPR petition are new and merit the Board's careful consideration in the interest of maintaining the integrity of the patent system.

Moreover, Patent Owner also continues to file and prosecute continuation applications with patentably-indistinct claims that require the misleadingly added new figures and descriptive text for written-description support. *See* Ex-1018, claims 1-4; Ex-2021, claims 1-4. *See also*, Ex-1020, 159 (terminal disclaimer filed by Patent Owner to obviate a double patenting rejection with respect to the ’327 Patent). Under 37 CFR 42.73(d), patent-owner estoppel is only applicable if the Board reaches a final decision. Expectations will remain unsettled until the Board resolves these issues as the Board is the sole adjudicative body capable of triggering 42.73(d) estoppel and thus is uniquely well-situated to resolve issues related not only to the already issued patent but also to appropriately constrain Patent Owner’s ongoing attempts to secure patentably-indistinct claims.

As explained in detail below, Petitioner respectfully submits that these circumstances collectively warrant a thorough review and cancellation of the challenged claims. These circumstances also provide the Acting Director with an appropriate vehicle to provide clarity as to when an IPR should proceed despite the existence of a parallel ITC action. The speed of the challenge here to a young patent that experienced a material error during examination merits the Board's review—particularly since the Board's review will impact the open prosecution that continues to rehash similar issues and will help settle expectations for this patent family.

2. MISLEADING PROSECUTION AND MATERIAL ERROR

The '327 Patent issued from the '935 Application, filed on January 14, 2019, and it claims priority to the '472 Provisional, filed on January 26, 2018, and to the '491 Provisional, filed on March 20, 2018 (the '935 Application, '472 Provisional, and '491 Provisional are collectively “the Applications”).

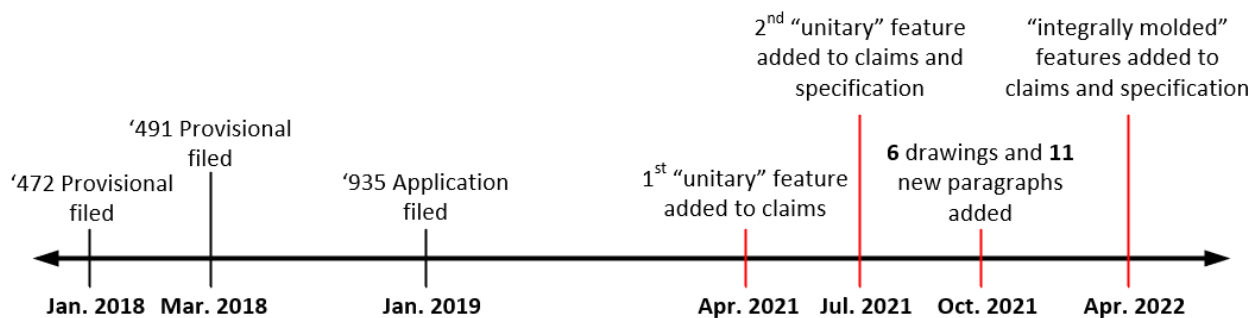
Patent Owner originally filed claims directed to reversible safety helmets. Ex-1007, claims 1-20. However, the original subject matter was not novel or inventive and so Patent Owner resorted to adding new subject matter during prosecution.

In April and June of 2021, Patent Owner tried to add claim language stating that the receptacles/slots were unitary parts of the outer shell. This was rebuffed as new subject matter (Ex-1004, 217 and 287-288). Thereafter, Patent Owner started

adding subject matter purportedly from the provisional applications (Ex-1004, 149-152 and 158-163). However, as detailed below, Patent Owner added a crucial label to one of its figures that lacked any support and without notifying the Examiner of the addition. Once Patent Owner added in the crucial label, it then relied on that label as a basis to add additional written description and claim limitations.

2.1 Prosecution History Leading to Office’s Material Error

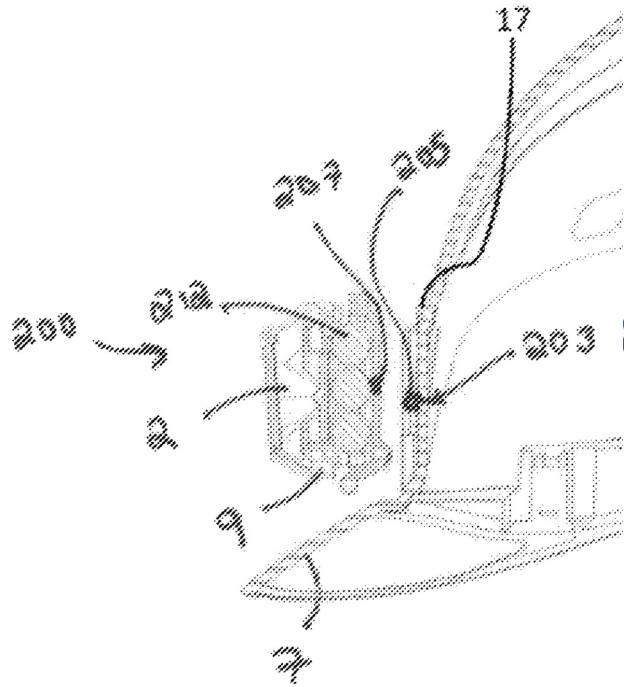
As noted in the Petition, the most notable aspect during prosecution was Patent Owner’s repeated attempts to add new matter. As filed, the Applications did not include any mention of claim elements being “unitary” or “integrally molded.” Ex-1005, Ex-1006, Ex-1007. However, when Patent Owner was faced with prior art teaching each of the originally claimed elements, Patent Owner belatedly and repeatedly introduced new subject matter to subvert the prior art, as shown in the timeline below.



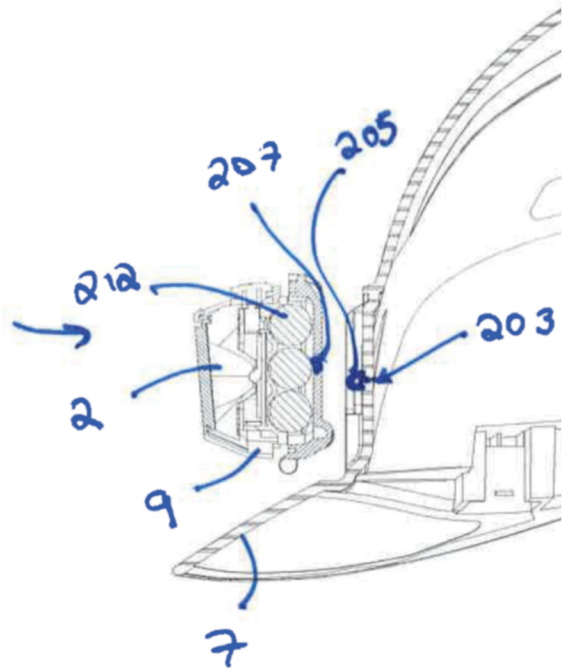
Timeline of Added Subject Matter

As indicated in the timeline above, Fig. 8 of the '327 Patent was added on October 21, 2021. This figure is similar to Fig. 5 of the '491 Provisional with one

notable difference—the reference numeral 17 was added to Fig. 8. Ex-1004, 45, 159; Ex-1006, 11.



'935 Application, Fig. 8

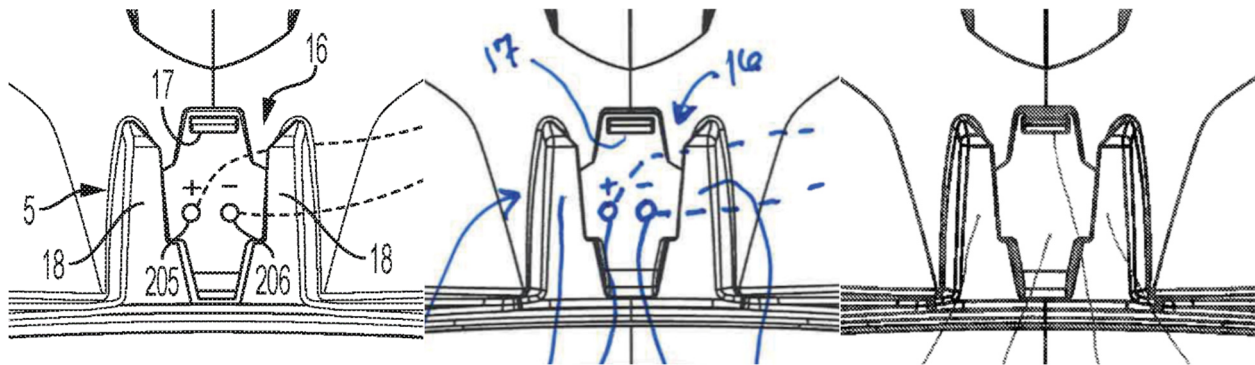


'491 Provisional, Fig. 5

The location of the new lead line is in opposition to the only figure that originally included the protruding nub 17 label (Fig. 3), and the Applications lacked any support for this addition. Moreover, Patent Owner did not even notify the Examiner of this new addition, instead simply stating that the “newly presented figures are part of the provisional applications,” which was not an accurate statement since the figures had been modified to add this reference numeral 17. Ex-1004, 169.

Specifically, protruding nub 17 is only shown and labeled in Fig. 3 of the '935 Application as-filed. Ex-1007, 16. Fig. 3 corresponds to Fig. 3 of the '491

Provisional (Ex-1006, 10) and to Fig. 5 of the '472 Provisional (Ex-1007, 14). Each of these figures is reproduced in relevant part below:



'935 App., Fig. 3

'491 Prov., Fig. 3

'472 Prov., Fig. 5

After covertly adding the figure label to Fig. 8, Patent Owner then used it as evidence that the protruding nub 17 was integrally molded with (or formed from) the outer shell and that it was of a same material as the outer shell. Ex-1002, ¶247. Specifically, Patent Owner wrote new descriptive text that it added to the specification: “The safety helmet 100 of Fig. 8 shows that the protruding nub 17 and the brim 7 are unitary features of the hard outer shell 1. Stated in other words, the outer shell forms or defines the protruding nub 17 and the brim.” Ex-1004, 151.

On April 25, 2022, Patent Owner amended the claims to include this new subject matter and then doubled down on the reliance to the covertly-added subject matter of Fig. 8 by relying on it to justify the new descriptive text and claim limitations. Specifically, claims 1, 4, and 26 were amended to recite that “the protruding nub” is “integrally molded with the outer shell” from a “common

material.”¹⁶ Ex-1004, 62-63 and 65. Similarly, pending claim 25 was amended to indicate that “the outer shell forms the protruding nub from a same material as the outer shell.” *Id.*, 64.

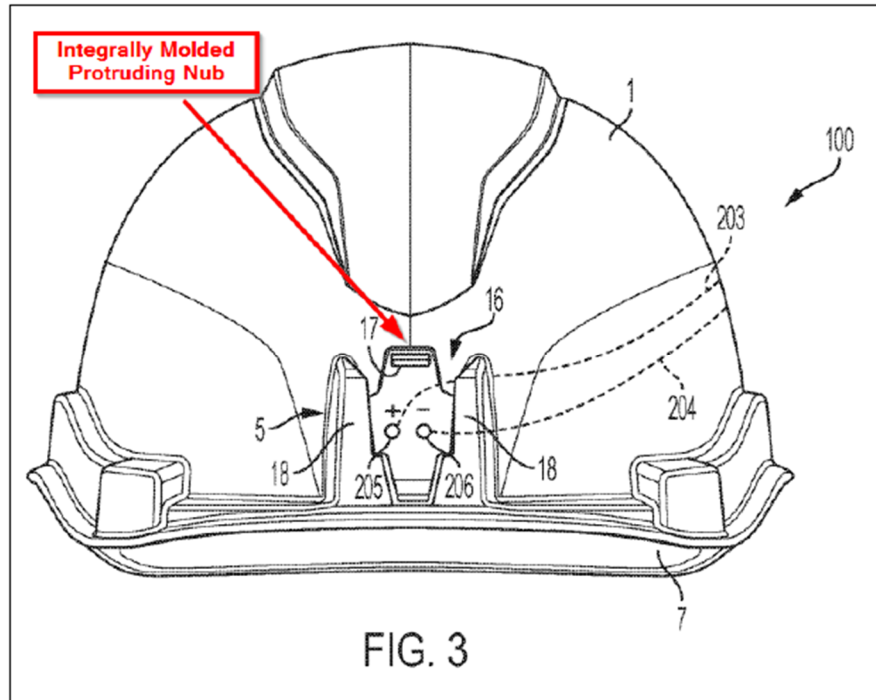
Patent Owner used a declaration by Mr. James Hill (“Hill Declaration”), its longtime employee, to attempt to justify the additional subject matter while continuing to misleadingly imply that Fig. 8 was original to the ’935 Application. Ex-1004, 48-49, 73-74. Mr. Hill opined that the added subject matter was disclosed in the drawings of the ’935 Application, particularly Fig. 3 and **Fig. 8**. Ex-1004, 43-44. Thus, Mr. Hill’s opinion relied on new subject matter added in 2021.

The Examiner’s acceptance of the misleading positions offered by Patent Owner on the belated and covertly added new matter led to a material error by the Office. *Padagis US LLC v. Neuraelis, Inc.*, IPR2025-00464, Paper 12 (July 16, 2025); *see also* 37 C.F.R. § 11.18(b) (requiring that requires that all statements be made without concealing, covering up by any trick, scheme or device a material fact).

Patent Owner mischaracterizes Petitioner’s position by stating “Petitioner complains that the figures from the Hill declaration are from the ’327 Patent’s non-provisional application.” Paper 8, 33 footnote 4. Petitioner’s position is that Fig. 8 brings in subject matter not from any of the Applications, but rather was introduced during prosecution in 2021.

Patent Owner also attempts to gloss over the addition by asserting that “these figures are the same as the figures in the provisional application, except for slightly different reference lines included,” but Patent Owner’s silence as to the “slightly different reference lines” during prosecution deprived the Examiner the opportunity to even consider this assertion. *Id.* Patent Owner further asserts that the Examiner “made a factual finding that the Hill declaration conclusion is consistent with the Specification” by citing to a statement made not by the Examiner, but by the Patent Owner during prosecution. Paper 8, 34-35. The quoted statement is with regards to Figures 12 and 13, neither of which provide any support for the protruding nub aspect of the claims.

Notably, even now, in its request for discretionary denial, Patent Owner continues to add misleading labels to the figures. Paper 8, 3. Rather than relying on the original reference number 17 in Fig. 3 for the protruding nub, Patent Owner adds a new label that isn’t pointing to the same feature:



The misleading prosecution and material error weigh strongly against discretionary denial.

3. DISCRETIONARY DENIAL IN THIS IPR SHOULD STAND AND FALL WITH THE RELATED PGR

As a matter of judicial efficiency, the Director's discretionary denial decision in this IPR should stand and fall with the same decision in the forthcoming related PGR of the child patent.¹ See 37 CFR 42.1 (stating that the rules of trial practice before the Board should "be construed to secure the just, speedy, and inexpensive resolution of every proceeding."). The claims at issue in this IPR, and those that will be at issue in the forthcoming PGR, are not patentably distinct. Ex-

¹ PGR2025-00080, which will challenge the '265 Patent

1018, claims 1-4; Ex-1020, 159. The prior art grounds raised against the claims and the reasoning are substantially identical between the two petitions. The two cases should be decided together.

The forthcoming PGR is, by definition, an early, diligent challenge to the patent at issue. “Petitions for post-grant review are favored because they must be filed no later than nine months from the grant of the patent (35 U.S.C. § 321(c)), are close in time to examination, and occur before expectations in the patent rights are strongly.” *Therabody, Inc. v. Datafeel Inc.*, PGR2025-00025, Paper 10 at 2. Moreover, prosecution of the family remains open through U.S. App. No. 19/074,885, which is a continuation of the ’265 Patent. Ex-1021. This IPR and the forthcoming PGR thus present an early opportunity for the USPTO, and indeed, likely the same Examiner to course correct. These diligent and early challenges to the patents-at-issue would, if successful, further give rise to the estoppel provisions of 37 CFR 42.73(d), precluding Patent Owner from taking action inconsistent with an adverse judgment, including obtaining any “claim that is not patentably distinct from a finally refused or canceled claim.” This relief, which is not available in the parallel ITC case, would prevent vexatious and unwarranted targeting of Petitioner’s product through overly-broad and invalid claims, thus promoting the fairness and efficiency, and reducing the expense, of the patent system and the broader litigation between the two parties.

4. RAPID CHALLENGE AND LACK OF SETTLED EXPECTATIONS

The '327 Patent is young. It was issued less than three years before the filing of the Petition. Ex-1001, 1. Thus, Petitioner has challenged the patent early on in its life and this favors “robust, predicable patent rights and weigh against discretionary denial.” *Xencor, Inc. v. Merus N.V.*, IPR2025-00604, -00605, Paper 12 at 2.

The Director has repeatedly found that a challenged patent issued as early as 2020 “has not been in force for a significant period of time” and thus the “Patent Owner has not developed strong settled expectations that favor discretionary denial.” *CSPC Megalith Biopharmaceutical Co., Ltd. v. Shanghai Miracogen Inc.*, IPR2025-00685, Paper 9 at 2; *see also Microsoft Corp. v. Edge Networking Systems, LLC*, IPR2025-00617, -00618, -00619, Paper 13 at 2 (finding issue dates of 2020, 2021, and 2023 to weigh against discretionarily denial); *Mim Software Inc. v. Progenics Pharmaceuticals, Inc.*, IPR2025-00630, -00725, -00726, Paper 12 at 2 (finding issue dates of 2020, 2022, and 2024 to weigh against discretionarily denial); *Revvo Technologies Inc. v. Tire Stickers LLC*, IPR2025-00631, Paper 12 at 2 (finding an issue date of 2021 to weigh against discretionarily denial). This weighs strongly against discretionary denial.

5. THE PETITION IS STRONG AND SHOULD NOT BE DENIED

UNDER 35 U.S.C. § 325(D).²

The Advanced Bionics framework sets forth a two-part inquiry to determine whether a § 325(d) discretionary denial is warranted. *Advanced Bionics, LLC v. MED-EL Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 (PTAB Feb. 13, 2020) (designated precedential: Mar. 24, 2020).

As detailed below in §§ 5.1 and 5.2, none of the references or arguments in this Petition were previously considered during prosecution. Ex-1001, pgs. 1-2 (References Cited).

Moreover, the Examiner erred by not identifying the references of the Petition. The Petition presenting “different prior art than the Office was aware of” constitutes error by the Office during prosecution. *Oticon Medical AB v. Cochlear Limited*, IPR2019-00975, Paper 15 at 19-20 (PTAB Oct. 16, 2019) (designated precedential: Mar. 24, 2020). The Examiner further erred by being led by the Patent Owner to erroneously accept a flawed showing of support for the additional of new subject matter, which attributed an unwarranted priority date to the claims and prevented a proper search for prior art.

² In Paper 8, Patent Owner erroneously refers to § 315(d), but appears to present arguments under § 325(d), which is what Petitioner addresses here.

5.1 Anticipation Ground

Patent Owner's criticisms of the Anticipation ground in the Petition rest on misrepresentations regarding the prosecution history (§ 2.1) and Patent Owner's own assertions in the ITC complaint.

With regards to the Klein News Release reference, Patent Owner did not dispute that the reference discloses every element of the Challenged Claims. Nor did Patent Owner dispute that Patent Owner has asserted that the products shown and described in the reference practice the '327 Patent. Ex-1016, ¶¶113, 114. Rather, Patent Owner merely argues that (i) because the anticipation ground is the fourth ground in the Petition, it implies that the anticipation ground is weak, and (ii) the anticipation ground is overly brief. Paper 8, 15-19.

Ground 4 establishes that—due to its misleading tactics during examination—Patent Owner is not entitled to its priority date, which means its own representations concerning its own press release lead to unpatentability of the '327 Patent. Indeed, in the ITC action, Patent Owner cited to its press release and stated that “On July 23, 2019, Klein Tools published a press release about its new generation of hard hat systems, designed, engineered, and built with safety, comfort, and fit for the tradespeople who wear them every day. These new hard hat systems incorporated the receptacle features discussed above and other innovative features

such as reversible donning, a flexible open-frame suspension, one-handed adjustment with a large knob ratchet, and more.” Ex-2009, 15-16.

Moreover, the anticipation ground, while brief, complies with the requirements of 37 C.F.R. § 42.104(b); *see also In re Mraz*, 455 F.2d 1069, 1072 (“Description for the purposes of anticipation can be by drawings alone as well as words”) (citing *In re Wilson*, 312 F.2d 449, 454 (1963)).

5.2 Obviousness Grounds

The obviousness grounds of the Petition are strong. The references in the Petition and the arguments based thereon are not the same or substantially the same as previously presented to the Office. Moreover, multiple motivations to combine are provided and the combinations address the amendments and arguments that led to allowance of the ’327 Patent.

Patent Owner argues that the obviousness grounds are weak because (i) the arguments were already considered by the Patent Office, and (ii) Petitioner has failed to show a motivation to combine. Paper 8, 20-21, 30. Neither of these arguments is true or valid.

Patent Owner does not attempt to argue that the Petition relies on any of the references that were considered during prosecution of the ’327 Patent. Rather, Patent Owner argues that the “obviousness rationale” is substantially the same as the Examiner asserted. Paper 8, 30. In support of this argument, Patent Owner cites to

an Office Action dated November 24, 2021, in which the Examiner rejects the claims under a combination of Ramey and Theisen. In combining those references, the Examiner stated that “Here, we are taking one well-known helmet with multiple identical attachment receptacles (Ramey) and replacing those receptacles with another well-known attachment receptacle that is molded into the outer shell (Theisen).” Ex-1004, 129. This is not the same type of combination or rationale that is expressed for any of the combinations in the Petition. Instead, for example, the Petition describes combinations in which the identical front and back snap-fit slot structures of Yan are improved by incorporating the molded protrusion of Daley or the integrally molded nub of Nesbitt. Paper 1 at 19, 48.

The Examiner did not provide a rationale for allowance, but the claim amendment immediately preceding the allowance was amended to recite that “the protruding nub is integrally molded with the outer shell from the common material and is disposed centrally relative to the external slot and directly onto the exterior surface of the outer shell at an upward location away from the brim.” Ex-1004, 62. In conjunction with presenting the amendment, Patent Owner argued that “As can be seen in the device of Theisen, the alleged protruding nub, which is structured more as a ledge that hangs adjacent a closed opening, would require an insert of multi-piece mold to construct, which adds cost and complexity.” Ex-1004, 80. Patent Owner also argued that “the protruding ledge of Theisen (34, in FIG. 4),

which the Office Action asserts reads on the protruding nub claimed, stands apart from the helmet and a back wall of the receptacle (at 38), and is not "disposed ... directly onto the exterior surface of the outer shell," as recited in claims 1 and 4, nor is the ledge disposed "at an upward location away from the brim," as also recited in claim 1." These arguments do not apply to any of the references used in the petition. Neither the molded protrusion of Daley nor the integrally molded nub of Nesbitt is a protruding ledge that stands apart from the helmet.

Patent Owner's assertion that "Petitioner has failed to show that a POSITA would have been motivated to combine the Yan, Daley, Kiessler, and Nesbitt references as alleged" is also specious. Paper 8, 20. The Petition includes multiple motivations to combine for each of the grounds presented. Paper 1, 12-16, 42-44, and 47-51. To the extent that Patent Owner disagrees with the motivations, this is a fact-intensive question that institution of the Petition would allow the Board to consider and resolve.

5.3 Expert Testimony

Patent Owner further argues in their Request that the Petition is over-reliant on expert testimony. Not so. "Patent Owner does not identify any portions of the expert testimony that suggest Petitioner is using its expert to fill gaps in the prior art." *Cambridge Industries USA, Inc. v. Applied Optoelectronics, Inc.*, IPR2025-00434, -00436, -00437, Paper 11 at 2. Thus, Petitioner's detailed expert

declaration is not a basis for discretionary denial, especially as Petitioner was “merely complying with regulations requiring disclosure of ‘underlying facts or data.’” *GD Energy Products, LLC v. Kerr Machine Company*, PGR2025-00031, Paper 11 at 2.

6. COMPLEXITY AND DIVERSE TECHNOLOGY SCOPE OF ASSERTED PATENTS FAVORS INSTITUTION

The Board is best suited to consider the patentability of ’327 Patent. As with the multi-patent litigation at issue in *Shenzhen Tuozhu Technology Co., Ltd. v. Stratasys, Inc.*, and *Tesla, Inc. v. Intellectual Ventures II LLC*, the ’327 Patent at issue here is part of “complex and diverse” multi-patent litigation spanning multiple patent families, diverse technologies, and multiple jurisdictions. IPR2025-00438, Paper 10 (July 17, 2025), IPR2025-00217, Paper 9 (Jun. 13, 2025).

The ITC case involves four patents from two different patent families that span different technologies (safety helmets and glow tape). Patent Owner has amended the ITC since the filing of the Petition to include the most recently granted patent on safety-helmet aspects. Ex-2009. In each patent family, Patent Owner continues to prosecute continuation applications with patentably-indistinct claims. Ex-1018, claims 1-4; Ex-2021, claims 1-4. *See also*, Ex-1020, 159 (terminal disclaimer filed by Patent Owner to obviate a double patenting rejection with respect to the ’327 Patent). This further favors institution as, per 37 CFR 42.73(d), and thus is uniquely well-situated to resolve issues related not only to the already issued

patent but also to appropriately constrain Patent Owner's ongoing attempts to secure patentably-indistinct claims. Institution in the present proceeding is thus warranted.

Further, the co-pending litigations (the ITC investigation and the District Court litigation) involve four different patents of diverse subject matter. Ex-2003; Ex-2009. The large number and broad scope of the patents asserted weighs against discretionary denial, as the Board is uniquely situated to deal with the complexity that such a large number of patents with diverse multiple subject matter presents. *See Shenzhen Tuozhu Technology Co., Ltd. v. Stratasys, Inc.*, IPR2025-00438, -00531, -00532, -00585, -00511, Paper 10 at 3. Thus, this additional circumstance weighs against discretionary denial.

Having amended the complaint to include the newly issued child patent, the '265 Patent, Patent Owner now argues that "Petitioner has only requested review of three of [the four asserted] patents" in the parallel ITC Investigation. Paper 8 at 28. This argument is moot as a PGR petition is forthcoming to challenge the '265 Patent, which was added to the ITC case via an amended complaint that was filed approximately 3 months after the original complaint was filed. *Compare* Ex-1016 (original complaint asserting just three patents, filed February 11, 2025) with Ex-2009 (amended complaint asserting an additional fourth patent).

Due to the multi-patent litigation spanning multiple jurisdictions and the diverse technology, discretionary denial is inappropriate.

7. THE FIRST FIVE *FINTIV* FACTORS ARE OVERALL NEUTRAL OR SLIGHTLY AGAINST DENIAL

While there is a co-pending ITC investigation, when viewed holistically, as detailed below, the first five factors are overall neutral or slightly against denial. When viewed against the remaining circumstances highlighted above, the overall discretionary-denial analysis is against denial (*infra* Section VII). A discussion of the first five factors follows next.

7.1 Factor 1

The co-pending district court litigation involving the '327 Patent has been stayed and that stay will remain in place until the completion of the co-pending ITC investigation. *See* Ex-2004; Case No. 1:25-cv-00143-JLH, Dkt. No. 12.

While the co-pending ITC Investigation is not currently stayed, Patent Owner's characterization that "virtually all of the issues raised by the IPR are present in the parallel ITC investigation" is misleading and incomplete. Paper 8, 11. The co-pending ITC Investigation does **not** have 100% overlap with the claims challenged in the '327 Patent. While the instant Petition covers all the claims of the '327 Patent (claims 1-17), Patent Owner has only asserted claims 1, 3-8, 10-11, and 13-17 in the ITC Investigation. That's a *minimum* of three claims that would only be addressed by the Board, and possibly more given the nature of claim narrowing at the ITC.

7.2 Factor 2

The district court action is currently stayed and the stay, as explained in § 7.1, will remain in place until at least June 18, 2026, which is the current ITC's Target Date. Thus, the district court action is unlikely to be tried before the Board's projected deadline of November 21, 2026 for a Final Written Decision ("FWD").

While the co-pending ITC's Target Date is currently scheduled in advance of the Board's FWD, it is likely this date will be extended. As was seen in a different proceeding between the same parties, the ITC extended the Target Date not once but twice due to "complexity of the issues raised" and "current constraints on judicial resources." *See* Ex-1023; Ex-1024. As the co-pending Investigation is currently covering four different patents and very diverse subject matter (Helmets and Glow Tape) and the parties are the same, it is likely the Target Date will have to be extended as well, closing the gap between the Board's FWD and the ITC's Target Date.

Further, Petitioner filed its petition on April 18, 2025, a month from when the ITC investigation was instituted on March 13, 2025, an exceptionally prompt filing timetable. Institution would thus directly serve the Congressional goal of the IPR procedure under the America Invents Act ("AIA") to provide "a quick, inexpensive, and reliable alternative to district court litigation to resolve questions of patent validity." S. REP. NO. 110-259, at 20 (2008).

Further, as explained in § 7.1, the ITC's final determination will not address all the claims challenged in the instant Petition and may not address any invalidity contentions at all. Nor can the ITC trigger the patent-owner estoppel of 42.73(d), because only the Board can do that and help settle expectations around the open prosecution for this patent family.

Even if the ITC did address 100% of the issues present in the instant Petition, a decision in the ITC has no preclusive effect. *Texas Instruments Inc. v. Cypress Semiconductor Corp.*, 90 F.3d 1558, 1570 (Fed. Cir. 1996); *Ingevity Corp. v. Int'l Trade Comm'n*, No. 2020-1800, 2021 WL 3440786, at *6 (Fed. Cir. July 21, 2021). Ultimately, the ITC cannot provide Petitioner with complete relief.

7.3 Factor 3

Petitioner moved to stay the co-pending district court case—which was unopposed and granted—at the start of the case, and thus there was no investment in that parallel proceeding as the entirety of the case had yet to begin. § 7.1.

And while the ITC investigation has proceeded along further than the district court litigation, as explained in § 7.1, it does not cover all the claims of the '327 Patent like the Petition here does. Given that Petitioner is likely to have to narrow further in the ITC proceeding, institution of this IPR is both appropriate and necessary.

Additionally, Petitioner and Patent Owner are currently before the District of Delaware in the stayed, co-pending District of Delaware case. Regardless of the outcome of the ITC, Petitioner and Patent Owner will still have to subsequently litigate the matter in federal district court both because an ITC determination has no preclusive effect and because the ITC's remedies are limited to exclusion orders and cease and desist orders. The cost of the District Court litigation far exceeds the costs compared to an IPR. Therefore, the PTAB route would be a more efficient use of the party, judicial, and Board resources (particularly given the Board's unique ability to invoke 42.73(d) estoppel, which no other forum can do) than resorting to District Court litigation.

7.4 Factor 4

Because the co-pending district court case, as explained in § 7.1, is stayed and will likely remain stayed until at least the Board's statutory deadline for a FWD in the instant proceedings, there is no overlap of issues in the two proceedings due to the estoppel provision of 35 U.S.C. § 315(e)(2).

With respect to the co-pending ITC investigation, as explained in § 7.1, there is limited overlap in claims. Further, because the ITC's decision cannot invalidate a patent, no matter what the resolution is in the ITC, Petitioner will still need to seek relief at the Board.

7.5 Factor 5

Petitioner agrees that the parties involved in the noted litigation and present IPR are the same. Thus, Factor 5 is neutral or slightly favoring denial.

Overall, the first five factors are neutral or slightly against denial. As explained next, when viewed holistically alongside the other circumstances detailed at the beginning of this brief, the overall discretionary-denial analysis is pushed overwhelmingly against denial.

8. ADDITIONAL CIRCUMSTANCES (FACTOR 6) MOVE THE OVERALL WEIGHT OF THE *FINTIV* FACTORS OVERWHELMINGLY AGAINST DISCRETIONARY DENIAL

8.1 Factor 6

As described in Sections 2-5, numerous other factors counsel against discretionary denial of the Petition, including a misleading examination that led to material Office error (§ 2), that the '327 Patent is young and this challenge is prompt (§ 3), the Petition is strong (§ 5), and the litigation is complex with diverse technology (§ 6).

When viewed holistically, these factors, and the issues described in the Fintiv Factors, such as (i) uncertainty as to whether the ITC will reach the invalidity issue, (ii) the ITC's inability to preclude prior art invalidity litigation in District Court litigation, and (iii) the parallel District Court litigation remains stayed in its infancy and thus is far behind the Board schedule, the efficiency and integrity of the

IPR process and the Congressional intent of the AIA is best served by instituting review. In particular, as the Director has recently explained, evidence of material error by the Office can outweigh other factors. *Padagis US LLC v. Neuraelis, Inc.*, IPR2025-00464, Paper 12 (July 16, 2025). *See also, Microsoft Corp. v. Partec Cluster Competence Center GMBH*, IPR2025-00318, Paper No. 9 (June 12, 2025).

9. CONCLUSION

For the reasons set forth above, discretionary denial of the Petition is inappropriate. Institution of *inter-partes* review is the appropriate result in view of the overall circumstances here.

Dated: August 21, 2025

Respectfully Submitted,

/ Alexander B. Stein /
Alexander B. Stein, Reg. No. 71,397

CERTIFICATION OF COMPLIANCE WITH TYPE-VOLUME LIMITS

As counted by Microsoft Word, this Opposition to Patent Owner's Argument for Discretionary Denial includes 4970 words and is therefore in compliance with the 14,000-word limit established by 37 C.F.R. § 42.24. Accordingly, pursuant to 37 C.F.R.

Dated: August 21, 2025

Respectfully Submitted,

/ Alexander B. Stein /
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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e)(4), it is hereby certified that on August 21, 2025 an electronic copy of this PETITIONER'S OPPOSITION TO PATENT OWNER'S DISCRETIONARY DENIAL BRIEF was served via email on Patent Owner's counsel of record in this proceeding:

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