

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMERICAN AIRLINES, INC. AND SOUTHWEST AIRLINES CO.,

Petitioners,

v.

INTELLECTUAL VENTURES II LLC,

Patent Owner.

Case No. IPR2025-00931

U.S. Patent No. 8,332,844

**BRIEF IN SUPPORT OF PATENT OWNER'S REQUEST FOR
DISCRETIONARY DENIAL**

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PATENT OWNER'S EXHIBIT LIST

Ex. 2001	Reexamination Request No. 90/019,938
Ex. 2002	Order Granting Reexamination Request
Ex. 2003	American Airlines Webpage - Information Technologies
Ex. 2004	Reexamination Request No. 90/015,337
Ex. 2005	Petition in IPR2025-00785
Ex. 2006	https://www.unifiedpatents.com/faq
Ex. 2007	https://www.unifiedpatents.com/members
Ex. 2008	Abstract of Title for U.S. Patent No. 8,332,844
Ex. 2009	Docket from <i>Intellectual Ventures I LLC et al. v. Southwest Airlines, Co.</i> , 7:24-cv-277 (WDTX)
Ex. 2010	Agreed Scheduling Order in Southwest Litigation
Ex. 2011	Docket from <i>Intellectual Ventures I LLC et al. v. American Airlines, Inc.</i> , 4:24-cv-980 (EDTX)
Ex. 2012	Defendant American Airlines, Inc.'s P.R. 3-3 Invalidity Contentions in <i>Intellectual Ventures I LLC et al. v. American Airlines, Inc.</i> , 4:24-cv-980 (EDTX)
Ex. 2013	Defendant Southwest Airlines Co.'s Preliminary Invalidity Contentions in <i>Intellectual Ventures I LLC et al. v. Southwest Airlines, Co.</i> , 7:24-cv-277 (WDTX)

I. INTRODUCTION

The Director should exercise discretion and deny institution because Petitioners and Unified Patents are engaging in a campaign to harass the patent owner with multiple coordinated challenges to the same patents, including U.S. Patent No. 8,332,844 (the ‘844 Patent), which is the subject of this *inter partes* review. On the same day (April 30, 2025) that Petitioners filed this IPR petition, Petitioners’ proxy -- Unified Patents -- also filed a reexamination request (Ex. 2001) challenging the ‘844 Patent. The IPR Petition and the reexamination request challenge the exact same claims of the ‘844 Patent (1-27), based on the exact same prior art references (Sapuntzakis, Holzmann, Federwisch, Birse) and based on the testimony of the same expert (Erez Zadok). Moreover, the Grounds in the IPR Petition are identical to the so-called Significant New Questions of Patentability (SNQs) set forth in the reexamination request:

<u>Grounds In IPR Petition</u>			<u>SNQs In Reexamination Request</u>		
<u>Ground</u>	<u>Claims</u>	<u>Basis</u>	<u>SNQ</u>	<u>Claims</u>	<u>Basis</u>
1	1-13	Obvious over Sapuntzakis and Holzmann	1	1-13	Obvious over Sapuntzakis and Holzmann
2	14-27	Obvious over Sapuntzakis and Federwisch	2	14-27	Obvious over Sapuntzakis and Federwisch
3	1-13	Obvious over Birse and Holzmann	3	1-13	Obvious over Birse and Holzmann
4	14-27	Obvious over Birse and Federwisch	4	14-27	Obvious over Birse and Federwisch

On July 22, 2025, the Office issued an Order granting the reexamination request filed by Unified Patents. Ex. 2002. The Order found as follows:

SNQ grounds #1-4 in the current Request are based on the same prior art as presented in ... IPR2025-00931. ... Accordingly, the statutory threshold under 35 USC 325(d) permitting the Director to exercise discretion to reject this request is met.

However, in view of the following facts, the Examiner as delegated by the Director declines to exercise discretion to reject this Request because: ... the other prior IPR petition (IPR2025-00931) in which identical grounds were presented has yet to have a decision on institution issued by the PTAB. Ex. 2002, 17 (emphasis added).

Simply put, given that a reexamination request is now pending before the Office asserting “identical grounds“ to those set forth in the Petition, it would be a waste of time and resources for this IPR to go forward. For this reason alone, the Director should exercise her discretion and deny institution.

Moreover, there is substantial circumstantial evidence that one or both of the Petitioners are “members“ of Unified Patents, and that Unified Patents is filing reexamination requests because Unified Patents was paid in the form of “membership fees“ by one or both of the Petitioners. Entertaining multiple challenges to the same patents is not a good use of the Office’s limited resources and is unfair to the Patent Owner.

While the identity between Unified Patents’ reexamination request (now pending) and the Petition provides a compelling basis to deny institution on its own,

there are at least four other reasons for the Director to exercise discretion and deny institution:

First, the settled expectations of the parties favor discretionary denial. The ‘844 Patent issued in 2012 with claims directed to systems for managing distributed applications -- a technology area that both Petitioners have actively developed and used for many years.¹ During all of that time, the ‘844 Patent was publicly available and provided notice to Southwest and American, both of whom had strong commercial interests in the technology for managing distributed applications claimed in the ‘844 Patent. Nonetheless, despite having a strong commercial interest in the subject matter of the ‘844 Patent, Southwest and American took no steps to challenge the ‘844 Patent during the almost 13 years that the patent has been in force. Rather, Southwest and American waited until now to launch their challenge, along with their proxy Unified patents. The significant length of time that the ‘844 Patent has been in force evidences strong well-settled expectations of the parties, which favors discretionary denial. *Samsung v. OS-New Horizon Personal Computing*, IPR2025-00613 (PTAB July 17, 2025), Paper #10 (denying institution

¹ To the extent Petitioners were to suggest that their technology emanates from vendors as opposed to being developed in-house, the facts demonstrate otherwise. For example, Petitioner American boasts on its website: “When you think of airlines, technology may not be the first thing that comes to mind - but whether powering our planes, airports or internal systems, our IT/Engineering experts are pushing the limits of innovation.” Ex. 2003 (emphasis added).

where “the challenged patent has been in force for more than 12 years, creating strong settled expectations”) (emphasis added).

Second, the *Fintiv* factors also favor the discretionary denial of institution. Petitioner Southwest is the defendant in parallel litigation overseen by Judge Albright, and Petitioner American is the defendant in a parallel litigation overseen by Judge Mazzant. While Judge Albright has scheduled the trial for January 11, 2027, the Petition acknowledges that the trial date “often changes.” Petition, 79. Thus, it is unclear whether the due date for a final written decision (November 29, 2026) in this IPR (if it were instituted) would occur before or after the trial. Regardless of whether the trial in the district occurs a month or two before or after the due date for a final written decision, there will be significant duplicative efforts in both PTAB and the district courts by the due date for a final written decision if this IPR proceeds.

The policies behind *Fintiv*, including reducing the potential for duplicative efforts and inconsistent results, thus favor discretionary denial. As explained below, the Petition’s assertion (at 80) that “institution will promote judicial efficiency and fairness” rings hollow because, as explained in detail below, in every scenario where this IPR is instituted there will multiple proceedings to adjudicate validity. Indeed, Petitioners are counting on there being multiple proceedings so they can advance inconsistent positions in different forums (explained below) on the hope that one

such position will prevail. Moreover, it will already be necessary for there to be three claim constructions involving the ‘844 Patent -- one by Judge Albright in the Southwest litigation, another by Judge Mazzant in the American litigation, and a third by the Examiner handling the reexamination request (now granted) challenging the ‘844 Patent. If this IPR goes forward, three Administrative Patent Judges at the PTAB will also need to conduct their own claim construction analysis of the ‘844 Patent. Clearly, the addition of a fourth claim construction analysis by three PTAB Judges (on top of two analyses by Federal District Court Judges and another by the Examiner handling the reexamination) only increases the potential for duplicative efforts and inconsistent results.

Third, in the district courts, Petitioners have already shown they plan to take inconsistent positions. There, they assert that key claim terms of the ‘844 Patent are “indefinite” because, for example, “a POSA is unable to determine whether a system meets” such limitations. Ex. 2013, 187. By contrast, in this IPR, the Petitioners have abandoned those positions in favor of interpretations intended to support invalidity arguments in this IPR—**without even acknowledging**, let alone justifying, the inconsistency. Rather than advancing “judicial efficiency and fairness” (see, Petition, at 80), it is clear that Petitioners’ strategy is to tactically advance inconsistent positions in multiple proceedings, hoping one will prevail. This approach is a waste of the resources of the PTAB.

For all of these reasons, and as explained more fully below, the Director should exercise her discretion to deny institution.

II. INSTITUTION SHOULD BE DENIED UNDER 35 USC 325(d) BECAUSE A DUPLICATIVE REEXAMINATION IS PENDING THAT CHALLENGES THE CLAIMS OF THE ‘844 PATENT BASED ON IDENTICAL GROUNDS

As the Board is already aware, Section 325(d) provides:

... [D]uring the pendency of any post-grant review under this chapter, if another proceeding or matter involving the patent is before the Office, the Director may determine the manner in which the post-grant review or other proceeding or matter may proceed, including providing for the stay, transfer, consolidation, or termination of any such matter or proceeding. *In determining whether to institute or order a proceeding* under this chapter, chapter 30, or chapter 31, the Director may take into account whether, and *reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.* (emphasis added).

The reexamination request filed by Petitioners’ proxy (Unified Patents) and the present IPR challenge the *exact same claims* of the ‘844 Patent (1-27), based on the *exact same prior art references* (Sapuntzakis, Holzmann, Federwisch, Birse) and based on the testimony of the *exact same expert* (Erez Zadok). The Office has already confirmed this in the Order granting the reexamination, where the Examiner found that the present petition and the reexamination request set forth “identical grounds.” Ex. 2002, 17.

There is no good reason for the Office to be entertaining two duplicative challenges running in parallel to the same patent nor do Petitioners even try to offer

one. For this reason alone, the Director should exercise her discretion and deny institution.

III. PETITIONERS AND UNIFIED PATENTS ARE ENGAGING IN A CAMPAIGN TO HARASS THE PATENT OWNER WITH MULTIPLE CHALLENGES TO THE SAME PATENTS

After Patent Owner asserted patents against Petitioners, Petitioners and Unified Patents have waged separate post-grant challenges against some of the patents. As shown below, the 7,257,582 (the ‘582 Patent) and the ‘844 Patent (the subject of this IPR) are being challenged by way of a reexamination request filed by Unified Patents and separately challenged by way of an *inter partes* review petition filed by Petitioners.

Patent Asserted in <u>District Court</u>	Reexamination Filed <u>By Unified Patents</u>	IPR Filed <u>By Petitioners</u>
8,332,844	Reexam No. 90/019,938, filed April 30, 2025	IPR2025-00931, filed April 30, 2025
7,257,582	Reexam No. 90/015,337, filed June 20, 2025	IPR2025-00785, filed April 10, 2025

There is substantial circumstantial evidence that these attacks are coordinated. For example, as mentioned above, in connection with the ‘844 Patent, the IPR Petition and the reexamination request were filed the same day, challenge the same claims based on the same prior art references, rely on the testimony of the same expert, and asserted identical grounds. It would be quite a coincidence for these circumstances to occur if Petitioners and Unified Patents were not communicating

with each other. Moreover, in connection with the ‘582 Patent, portions of Unified Patents’ Reexamination Request (Ex. 2004) with respect to the ‘582 Patent were cut and pasted almost verbatim (with only minor stylistic revisions) from Petitioner’s *inter partes* review Petition challenging the ‘582 Patent (IPR2025-00785)(Ex. 2005), indicating that Unified Patents had at least a near-final draft of the Petition in IPR2025-00785 when Unified Patents prepared its parallel Reexamination Request directed to the ‘582 Patent. *See*, Section III(B), *infra*.

Thus, there is substantial circumstantial evidence that one or both of Petitioners, together with Unified Patents are coordinating multiple attacks on Patent Owner’s patents for the purpose of harassing Patent Owner. In addition to being unfair to Patent Owner, entertaining multiple challenges to the same patents is not a good use of the Office’s limited resources. These facts favor discretionary denial.

A. The Business Model Of Unified Patents

The business model of Unified Patents is well documented. Unified Patents accepts “subscription fees” from members and uses the subscription fees to challenge the validity of patents asserted in litigation against members. *See Unified Patents v. American Patents*, IPR2019-00482, Paper 115 at 41 (PTAB Aug. 13, 2020) (“*Am. Patents*”) (“Petitioner’s primary activity is filing IPRs”) and Ex. 2006 (Unified monitors “litigation to track activity and ... files post-grant procedures against patents”). Although Petitioner states it has many members, only a fraction of

its members actually pay subscription fees. *Am. Patents*, Paper 115 at 40 (“Petitioner has approximately 200 members—approximately fifty of those members pay a yearly subscription fee based on annual revenue, but small companies pay nothing.”); *see also* Ex. 2007 (requiring members with greater than \$20 million in revenue to pay subscription fees). The large member companies of Unified Patents fund the bulk of the organization’s activities and clearly benefit from the activities of Unified Patents. *See Am. Patents*, Paper 115 at 47 (“Some facts suggest an implied agreement for Petitioner to take actions that will (directly or indirectly) benefit Member These efforts can (and do) result in patent invalidations or licenses that benefit Member, and in at least some cases, Petitioner’s activity has resulted in the dismissal of a litigation filed against Member”).

Thus, the reason that Unified Patents is filing reexamination requests that perfectly align with the interests of Petitioners is most likely because one or both of Petitioners are members of Unified Patents, and that Petitioners therefore paid Unified Patents substantial “membership fees” which were used to fund the parallel reexaminations filed by Unified Patents. To be clear, Unified Patents has no business interest of its own in the ‘844 or ‘582 Patents, nor did Unified Patents file the parallel reexamination requests out of happenstance, or out of the goodness of its heart. Rather, Unified Patents files patent challenges when one or more members of Unified Patents are sued for patent infringement *because the*

members of Unified Patents pay Unified Patents substantial membership fees each year to do so. Unified Patents’ cleverly worded messaging does nothing to dispel the *quid pro quo* that is plainly apparent – namely, that in exchange for membership fees, Unified Patents files patent challenges that align completely with the litigation objectives of its members.

Prior cases rejecting arguments that Unified Patents is doing the bidding of its members are inapposite, as none of them involved discretionary denial in combination with the pattern of post-grant filings on behalf of a member that is present here. For example, in *Unified Patents, LLC v. Argina*, IPR2022-00285, Paper 10, p. 6-7 (June 17, 2022), the Board found that there was “no specific evidence that the Petition was filed” at the behest of the Unified Member, and that “Patent Owner’s contentions ... amount to general statements that membership in Unified Patents is enough to make any member that has been sued on a patent an RPI ...” In this case, by contrast, Patent Owner is not arguing that mere membership in Unified Patents is sufficient to confer RPI status. Rather, Patent Owner is arguing that the specific evidence of *quid pro quo* that is plainly apparent here -- namely, substantial membership payments likely made by one or both of Petitioners to Unified Patents, in combination with a track record of Unified Patents filing post-grant challenges supporting one or both of Petitioners’ litigation positions -- is a basis for discretionary denial of the present *inter partes*

review because, *inter alia*, it unfairly affords Petitioners multiple bites at the apple and wastes the Office’s limited resources.

B. Portions of The Reexamination Request Filed By Unified Patents Against The ‘582 Patent Parrot Petitioners’ Parallel Inter Partes Review Petition Almost Verbatim

The coordination between Unified Patents and Petitioners is also evident from the fact that aspects of the Reexamination Request filed by Unified Patents against the ‘582 Patent (Ex. 2004) parrot the Petition almost verbatim language from Petitioners’ parallel IPR challenge (Ex. 2005) to the ‘582 Patent. Clearly, Unified Patents is motivated to take positions that are consistent with (and never contradict) positions taken by the members funding Unified Patents. The color-coded excerpts set forth below (coloring added by Patent Owner) comparing passages from the Petition challenging the ‘582 Patent with corresponding passages in the parallel reexamination request filed by Unified Patents, show the lengths to which Unified Patents has gone to maintain consistency with the positions taken by Petitioners herein.

<u>IPR Petition On ‘582 Patent</u>	<u>Reexamination Petition On ‘582 Patent</u>
The ‘582 Patent relates to well-known load balancing using multiple computer processors. Ex.1001 (1:14-17). In other words, the ‘582 Patent deals with “a way to split the performance of a given task among a plurality of processing units which can all access, directly or	The ‘582 Patent relates to conventional load balancing using multiple computer processors—i.e., a “multiprocessor.” EX1001, 1:14-17, 2:37. Specifically, the ‘582 Patent describes a long-known “way to split the performance of a given task among a plurality of processing

indirectly, the input data and the devices on which the output data is to be stored.” <i>Id.</i> Further, “[t]he principal object of the present invention is to enable the decomposition of a certain type of linear processes that currently use a single computer, into equivalent parallel processes that can efficiently use any number of potentially heterogeneous computers, taking the available capacity of each of these computers into account while optimizing execution.” <i>Id.</i> (1:48-54). Ex. 2005, 5-6.	units which can all access, directly or indirectly, the input data and the devices on which the output data is to be stored.” <i>Id.</i>; see also <i>id.</i>, 1:48-54 (“The principal object of the present invention is to enable the decomposition of a certain type of linear processes that currently use a single computer, into equivalent parallel processes that can efficiently use any number of potentially heterogeneous computers, taking the available capacity of each of these computers into account while optimizing execution.”). Ex. 2004, 8.
... a POSITA “would have had a bachelor’s degree in computer science, computer engineering, electrical engineering, or related field, and at least two years of experience in computer networking and parallel computing, or a person with a master’s degree in one of the foregoing and at least one year of experience in the aforementioned fields. Additional education could substitute for professional experience, and vice-versa. Ex. 2005, 7.	[A POSITA] ... would have had a bachelor’s degree in computer science, computer engineering, electrical engineering, or related field, and at least two years of experience in computer networking and parallel computing or have had a master’s degree in one of the foregoing and at least one year of experience in the aforementioned fields. Additional education could substitute for professional experience, and vice versa. Ex. 2004, 13.

C. Multiple Challenges To The Same Patent Risks Harassment Of Patent Owners

As set forth in the legislative history of the AIA, “[a]llowing similar, serial challenges to the same patent, by the same petitioner, risks harassment of patent owners and frustration of Congress’s intent in enacting the Leahy-Smith America

Invents Act.” H.R. Rep. No. 112-98, pt. 1, at 48 (2011). Here, there is substantial circumstantial evidence that Unified Patents filed a parallel reexamination challenge because Unified Patents was paid by one or both of the Petitioners, and that Petitioners and Unified Patents are coordinating multiple parallel attacks on Patent Owner’s patents for the purpose of harassing Patent Owner. In addition to being unfair to the Patent Owner, fielding multiple challenges to the same patents is not a good use of the Office’s limited resources. These circumstances favor discretionary denial.

IV. THE WELL-SETTLED EXPECTATIONS OF THE PARTIES FAVOR DISCRETIONARY DENIAL

Despite engaging in commercial activity directly related to the subject matter of the ‘844 Patent for years, Petitioners waited until now to initiate this IPR. The long period of time that the ‘844 Patent has been in force evidences strong settled expectations. “Although there is no bright-line rule when expectations become settled, in general, the longer the patent has been in force, the more settled expectations should be.” *Dabico Airport Solutions v. AXA Power ApS*, IPR2025-00408 (PTAB June 18, 2025), Paper #21. Moreover, to the extent Southwest or American were to assert that they had no actual notice of the patent, the Board has explained that actual notice of the patent or of possible infringement is not required to create to settled expectations. For example, in *Dabico*, the Board explained:

... patent applications (after 18 months) and issued patents are almost always publicly available to provide notice to the public, other inventors, competitors, and commercial interests. 35 U.S.C. § 122. Interested parties may find published patents and patent applications using the Office’s automated search systems as well as publicly available resources on the Internet. See 35 U.S.C. § 41(i). As such, actual notice of a patent or of possible infringement is not necessary to create settled expectations. (emphasis added).

Consistent with the guidance provided by Director Stewart, the Board has found settled expectations sufficient to deny institution where a patent has been in force for as little as seven years. *Dabico*, IPR2025-00408, Paper #21 (finding that settled expectations favored discretionary denial where the challenged patent had been in force for over seven years); *see also*, *Intel Corp. v. Proxense LLC*, IPR2025-00327 (PTAB June 26, 2025), Paper #12, 2 (denying institution based on settled expectations where the “challenged patents have been in force over nine years”); *Cambridge Industries v. Applied Optoelectronics*, IPR2025-00434 (PTAB June 26, 2025), Paper #11, 3 (denying institution where the challenged patents had been in force for nine and seven years).

Moreover, guidance from Director Stewart goes a step further in cases where the patent has been in force for even longer periods, such as 12 years, characterizing it as “creating strong settled expectations.” *Samsung v. OS-New Horizon Personal Computing*, IPR2025-00613 (PTAB July 17, 2025), Paper #10 (“the challenged patent has been in force for more than 12 years, creating strong settled

expectations”); *see also*, *International Business Machines Corp. v. Virtamove Corp.*, IPR2025-00591 (PTAB July 17, 2025), Paper #8 (“the challenged patents have been in force for over fifteen years, creating strong settled expectations”); *Carvana, LLC v. International Business Machines Corporation*, IPR2025-00564 (PTAB July 10, 2025), Paper #11 (“the challenged patent has been in force for approximately 15 years, creating strong settled expectations”); and *SAP America, Inc. v. Valtrus Innovations, Ltd.*, IPR2025-00414 (PTAB July 10, 2025), Paper #12, 2 (“the challenged patents have been in force for over 17 years, creating strong settled expectations. Under these circumstances, discretionary denial is appropriate”).

These precedents demonstrate that where, as here, the patent has been in force for 12 years, there are strong settled expectations that weigh in favor of denying institution. Simply put, the exceptional length of time during which the ‘844 Patent has been in force strongly favors discretionary denial.²

² For the last 12 years, the ‘844 Patent has been owned by companies owned and controlled by Intellectual Ventures’ Invention Investment Fund II, LLC (IIF II). As set forth in the Abstract of Title, on May 18, 2012, the ‘844 Patent was assigned to Emendable Assets Limited Liability Company, LLC (a company owned/controlled by IIF II). Ex. 2008, Assignment #3. On August 26, 2015, Emendable Assets Limited Liability Company was merged into Xenogenic Development Limited Liability Company, which was owned/controlled by IIF II. Ex. 2008, Assignment #4. On November 2, 2023, Xenogenic Development Limited Liability Company assigned the patent to Intellectual Ventures II LLC, another company owned/controlled by IIF II. Ex. 2008, Assignment #5.

V. THE FINTIV FACTORS FAVOR DISCRETIONARY DENIAL

The precedential order in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB March 20, 2020) (“*Fintiv*”) identifies six factors for the Board to consider in deciding whether to exercise discretion to deny institution based on parallel proceedings involving the same patent. Application of the present facts to these factors demonstrates that there are strong reasons for exercising discretion to deny institution here.

Each of the Petitioners in this IPR is a defendant in a different parallel district court litigation involving the ‘844 Patent. Petitioner Southwest is the defendant in *Intellectual Ventures I LLC et al. v. Southwest Airlines, Co.*, 7:24-cv-277 (WDTX) (the Southwest District Court Litigation), which is overseen by Judge Albright. In that case, Judge Albright has set the trial for January 11, 2027. Ex. 2010, 4. However, as the Petition acknowledges, the trial date “often changes.” Petition, 79. Thus, it is unclear whether the due date for a final written decision (11/29/2026) in this IPR (if it were instituted) would occur before or after the trial in the Southwest District Court Litigation. Regardless of whether the trial in the Southwest District Court Litigation occurs a month or two before or after the due date for a final written decision, there will be significant duplicative efforts in the PTAB and the district courts by the due date for a final written decision if this IPR proceeds, as explained more fully below.

Petitioner American is the defendant in *Intellectual Ventures I LLC et al. v. American Airlines, Inc.*, 4:24-cv-980 (EDTX) (the American District Court Litigation), which is overseen by Judge Mazzant. In that case, Judge Mazzant has set the Markman Hearing for 10/14/2025 and has scheduled the Final Pretrial Conference for 10/19/2026. Ex. 2011, 7-8 (Dkt. #44).

A. Factor 1 Weighs Against Institution Because A Stay Has Not Been Granted In Either The Southwest Or American District Court Litigation And There Is No Evidence That A Stay Would Be Granted If This IPR Was Instituted

No stay has been granted, *nor even requested*, in either the Southwest District Court Litigation or the American District Court Litigation. Pet., 79. In addition, even if this IPR was instituted (which would not occur until on or around October 29, 2025), it is unlikely that the Court (Judge Albright) would grant a stay. *See, generally, Continental Intermodal Grp. v. Sand Revolution LLC*, No. 7:18-cv-00147 (W.D. Tex. July 22, 2020) (Judge Albright) *Multimedia Content Mgmt. LLC v. Dish Network*, No. 6:18-CV-00207-ADA, 2019 U.S. Dist. LEXIS (W.D. Tex. May 30, 2018) (Judge Albright) (denying stay).

Thus, the first factor weighs against institution.

B. Factor 2 Is Neutral Because It Is Unclear If Trial In The Parallel Litigation Will Occur Before Or After The Projected Statutory Deadline For The Board’s Final Written Decision

As explained above, the Trial in the Southwest District Court Litigation is currently scheduled for January 11, 2027, but the trial date “often changes.” Petition, 79. Thus, it is unclear whether the due date for a final written decision (11/29/2026) in this IPR (if it were instituted) would occur before or after the trial in the Southwest District Court Litigation.

The Petition focuses on the fact that the American District Court Litigation may go to trial after the Final Written Decision is due. Petition, 79. However, the Petition has failed to explain why, in a case such as this, where there are multiple petitioners, the second *Fintiv* factor must be satisfied for both Petitioners in order to support a discretionary denial. On the contrary, the policies behind *Fintiv*, including reducing the potential for duplicative efforts and inconsistent results, favor discretionary denial even if the second *Fintiv* factor is met for one Petitioner. For example, in addition to the claim interpretation performed by the Examiner handling the parallel reexamination file by Unified Patents (Exs. 2001, 2002), there will also be two claim construction hearings in the District Courts (one in the Southwest District Court Litigation and one in the American District Court Litigation, all involving the ‘844 Patent. If this IPR goes forward, the PTAB will also need to conduct its own claim construction analysis of the ‘844 Patent. Thus, if this IPR were

to go forward, the resources of 5 judges and an Examiner will be needed to construe the claims -- i.e., Judge Albright, Judge Mazzant, the Examiner handling the parallel reexamination request filed by Unified Patents, and the three Administrative Patent Judges assigned to this IPR. Certainly, the addition of a further claim construction analysis by the PTAB (on top of two District Courts and the Examiner handling the parallel reexamination) only increases the potential for duplicative efforts and inconsistent results in connection with claim construction.

Thus, the second factor is neutral.

C. Factor 3 Weighs Against Institution Because The Parties Will Have Invested Significant Effort In The Southwest And American District Court Litigations By The Time The Board's Institution Decision Is Due

Factor 3 relates to investment in the Southwest and American Litigations by the District Courts and the parties. *Fintiv*, Paper 11 at 9. This factor is judged from the date of the institution decision, which is expected to be no later than November 29, 2025. *Id.* By the time the Board's institution decision is due (on 11/29/25), the Markman process in both the American and Southwest District Court Litigations (scheduled for 10/14/25 and 12/8/25, respectively) will have been either completed (in the case of the American District Court Litigation) or substantially briefed (in the case of the Southwest District Court Litigation), and in all likelihood one or both of Judge Mazzant will have issued his claim construction ruling. Clearly, the parties

and the Courts will have made a substantial investment by the expected date of the institution decision on November 29, 2025.

The Petition was filed on April 30, 2025. At that time, Petitioners asserted that the Petition was filed “well before the start of the claim construction process.” Petition, at 80. Patent Owner disagrees that the Petition was filed before the start of the claim construction process. However, even if Petitioners’ assertion about the state of affairs on April 30, 2025 was accurate, it is irrelevant. As explained in *Fintiv*, the investment by the District Courts and the parties is judged from the date of the anticipated institution decision, which is expected to be about November 29, 2025 - rather than April 30, 2025. *Fintiv*, Paper 11 at 9. There can be no argument that by November 29, 2025 the claim construction process in both the Southwest and American District Court Litigations will be complete (or nearly complete) and thus the District Courts and the parties will have made a substantial investment in the parallel litigations by that time.

Thus, the third factor weighs against institution.

D. Factor 4 Weighs Against Institution Because There Is Substantial Overlap Between The Southwest And American District Court Litigations And This IPR, And Even If Petitioners Submit A *Sotera* Stipulation, It Will Not Mitigate Such Overlap

The fourth *Fintiv* factor—whether the issues raised in the petition overlap with those in the parallel district court proceedings—weighs heavily against institution

because there is substantial overlap between this IPR and the Southwest and American District Court Litigations. As explained below, Petitioners are asserting the same core invalidity theories in both forums, albeit with inconsistent arguments, and any lack of complete claim overlap is the result of Petitioners' own strategic choices. Moreover, Petitioners' *Sotera* stipulation will be ineffective at reducing duplication under the circumstances of this case because, in the district courts, Petitioners rely not only the references advanced in this IPR, but also on system art that is cumulative of the references asserted in this IPR. Thus, even if Petitioners were precluded from advancing patents and printed publications alone as a basis for invalidity in the district court, the cumulative system art relied on by Petitioners in the district courts will allow Petitioners to repackage the same invalidity theories advanced here in district courts. As a result, the *Sotera* stipulation will do little to eliminate the inefficiencies and risks of conflicting decisions that this IPR would introduce. Each of these issues is addressed in detail below.

1. There is substantial overlap in the claims challenged in the Southwest and American District Court Litigations and this IPR, and the lack of complete overlap was of Petitioners' own making

The Petitioners have filed Invalidity Contentions in the Southwest and American District Court Litigations that include all (in the case of American) or substantially all (in the case of Southwest) of the grounds asserted in this IPR. Ex.

2012, 17 (identifying Sapuntzakis, Holzmann and Birse as references relied on for invalidity of the ‘844 Patent) and note 10 on page 17 (incorporating “by reference, in full, the Petition and the Exhibits in IPR2025-00931”); Ex. 2013, 80 (identifying Sapuntzakis, Holzmann and Birse as references relied on for invalidity of the ‘844 Patent).

Moreover, there was nothing prohibiting Petitioners from challenging the validity of all of the claims of the ‘844 Patent in either or both of the Southwest and American District Court Litigations. To the extent that there is a lack of complete overlap between the claims challenged in this IPR and in the District Courts, it is a situation of Petitioners’ own making, as Petitioners chose which claims to challenge in each of the forums. It would only invite gamesmanship to reward Petitioners’ strategy of engineering a lack of complete overlap in challenged claims by finding that such a situation weighs against discretionary denial.

2. Petitioners’ *Sotera* stipulation will not mitigate the overlap between the Southwest and American District Court Litigations and this IPR

The guidance set forth by the Office provides that where, as here, “the petitioner is relying on corresponding system art in a co-pending proceeding and/or several other invalidity theories, a stipulation may not be particularly meaningful

because the efficiency gained by any AIA proceeding will be limited.”³ More specifically, in addition to citing to Sapuntzakis, Holzmann and Birse, Petitioners’ Invalidity Contentions in the Southwest and American District Court Litigations allege that the ‘844 Patent claims are invalid over Sapuntzakis, Holzmann, and Birse in combination with each of the so-called “Southwest Airlines NetApp” system, “the “Apple Netboot” system or the “VMware” system, -- which are not patents or printed publications. Ex. 2012, 137-153, 154-170 and 171-187 and Ex. 2013, 490-508, 509-523. Significantly, these claim charts demonstrate that, in the District Courts, Petitioners are relying on system art solely for information cumulative of what is already shown in Sapuntzakis, Holzmann and Birse. Ex. 2012, 137-153, 154-170 and 171-187 (mapping multiple claim elements to one of either the “Southwest Airlines NetApp” system,“ the “Apple Netboot” system or the “VMware” system and one or more of Sapuntzakis, Holzmann and Birse) and Ex. 2013, 490-508, 509-523 (mapping multiple claim elements to one of either the “Southwest Airlines NetApp” system or the “VMware” system and one or more of Sapuntzakis, Holzmann and Birse).

Petitioners’ strategy is crystal clear. If this IPR is instituted, Petitioners will argue invalidity in the District Courts based on Sapuntzakis, Holzmann and Birse in

³ FAQ #15, at <http://www.uspto.gov/patents/ptab/faqs/interim-processes-workload-management>.

combination with the “Southwest Airlines NetApp” system, “the “Apple Netboot” system or the “VMware” system. Petitioners will argue that this combination is not covered by the *Sotera* stipulation because at least one of the references in the combination -- the “Southwest Airlines NetApp” system, the “Apple Netboot” system or the “VMware” system -- is not a patent or printed publication. Nonetheless, because the “Southwest Airlines NetApp” system, the “Apple Netboot” system and/or the “VMware” system is cumulative of Sapuntzakis, Holzmann and Birse, Petitioners will be advancing in the District Court arguments identical to the ones raised here, just with different “window dressing.” Thus, under the present facts, Petitioners’ *Sotera* stipulation will do nothing to mitigate the overlap in invalidity arguments raised by Petitioners in this IPR and in the Southwest and American District Court Litigations. As explained in the guidance set forth by the Office, where, as here, “the petitioner is relying on corresponding system art in a co-pending proceeding and/or several other invalidity theories, a stipulation may not be particularly meaningful because the efficiency gained by any AIA proceeding will be limited.” *See*, note 3, *supra*.

Because there will be significant overlap between this IPR and the Southwest and American District Court Litigations, there are particularly strong “concerns of inefficiency and the possibility of conflicting decision” if this IPR is instituted. *Fintiv*, Paper 11 at 12.

Thus, the fourth factor weighs against institution.

E. Factor 5 Weighs Against Institution Because The Patent Owner Is The Same And The Petitioner Are The Same Parties As In The Parallel Litigation

Patent Owner and Petitioners are the same parties as in the Southwest and American District Court Litigations. Thus, the fifth factor weighs against institution.

In connection with this factor, the Petition makes the conclusory assertion that “institution will promote judicial *efficiency and fairness*.” Petition, 80 (emphasis added). This argument does not withstand scrutiny. Below is an analysis of the potential scenarios in the district courts and/or the PTAB. The first three scenarios (labelled Scenarios 1-3 below) correspond to the ones where this IPR is instituted. As demonstrated below, *all* of these scenarios result in inefficiency, unfairness, or both. The last two scenarios (labelled Scenarios 4-5 below) correspond to ones where institution of this IPR is denied. As explained below, both of these scenarios are more efficient and/or fair as compared to the scenario where this IPR moves forward.

Scenario #1: This IPR is *instituted* on 11/29/25 and the ‘844 Patent is found *invalid* by a jury in the Southwest Litigation on or about the same time as the Final Written Decision (FWD) based on system art. Since the jury verdict will occur around the same time as the FWD is due in this IPR, all of the work invested by one of either (i) the PTAB and the parties in the trial of this IPR, or (ii) the District Court and the parties in the Southwest District Court Litigation will have been *wasted*, because the decision by the first forum to render a decision will moot the outcome of the other forum. This scenario is clearly *inefficient*.

Scenario #2: This IPR is instituted on 11/29/25 and the ‘844 Patent is not found invalid by a jury in the Southwest Litigation based on system art. At about the same time (on or about 11/29/26), the PTAB issues a FWD in this IPR finding that the claims are not invalid. In this scenario, validity would still subsequently need to be adjudicated a third time in the American Litigation based on system-based prior art, resulting in three forums needing to adjudicate validity, which is clearly inefficient.

Scenario #3: This IPR is instituted on 11/29/25 and the ‘844 Patent is not found invalid by a jury in the Southwest Litigation based on system art at about the same time that the PTAB issues a FWD in this IPR finding that the claims are invalid. This scenario was unfair to Patent Owner because Southwest got two bites at the apple. Moreover, the process is inefficient because it yielded conflicting outcomes which would need to get straightened out on appeal.

Scenario #4: This IPR is not instituted and the ‘844 Patent is found invalid by a jury in the Southwest Litigation based on prior patents or publications and/or system art. In this scenario, absent a reversal on appeal, there will be no need to try the American Litigation as the patent was previously found invalid. In this scenario, only a single tribunal needed to try validity, which is highly efficient.

Scenario #5: This IPR is not instituted and the ‘844 Patent is not found invalid by a jury in the Southwest Litigation based on prior patents or publications and/or system art. In this scenario, validity will need to be tried for only a second time in the American case. This scenario is significantly more efficient than Scenario #2 where validity was tried three times, and much more fair to Patent Owner as compared to Scenario #3 because Southwest and American only each got one bite at the apple.

As the above analysis demonstrates, Scenarios 1-3 (where this IPR is instituted) are all less efficient and less fair than Scenarios 4-5 (where this IPR is not instituted).

The Petition’s assertion (at 80) that “institution will promote judicial efficiency and

fairness,” rings hollow because *every* scenario where this IPR is instituted (i.e., Scenarios #1-3 above) requires *multiple* proceedings to adjudicate validity.

Thus, the fifth factor weighs against institution.

F. Factor 6 Weighs Against Institution Because Petitioners Strategy Of Advancing Inconsistent Positions In Different Forums Is Unfair To Patent Owner

As explained below, the Petition is predicated on claim construction positions that cannot be reconciled with those advanced by Petitioners in the Southwest and American District Court Litigations. In the district courts, Petitioners have taken the position that key claim terms of the ‘844 Patent are “indefinite under 35 U.S.C. § 112, ¶ 2” because they “fail to inform, with reasonable certainty, those skilled in the art about the scope of the invention.” Ex. 2012, 36 and 37-38 and Ex. 2013, 186-188. Yet, in this IPR, the Petitioners have abandoned those positions in favor of interpretations intended to support invalidity arguments in this IPR—without acknowledging, let alone justifying, the inconsistency.⁴ Clearly, Petitioners’ strategy is to advance inconsistent positions in multiple proceedings hoping one will prevail -- an approach that wastes the resources of the PTAB. *See*, Section VI, *infra*.

Thus, the sixth *Fintiv* factor weighs against institution.

⁴ *See*, e.g., *Cambridge Mobile Telematics, Inc. v. Sfara, Inc.*, IPR2024-00952, Paper #12, 8 (PTAB December 13, 2024) (informative) (“At a minimum, the Petition should have explained ‘why the inconsistent positions are warranted.’”)

G. The Board Should Deny Institution Under § 314(a) Because All Six *Fintiv* Factors Strongly Favor Discretionary Denial in View of Parallel District Court Litigations

Based on the totality of the *Fintiv* factors, the Board should exercise its discretion under 35 U.S.C. § 314(a) and deny institution of this inter partes review. The *Fintiv* framework is specifically designed to prevent duplicative proceedings, avoid inconsistent outcomes, and conserve the resources of both the Board and the parties where parallel district court litigation is already well underway. Here, five of the *Fintiv* factors strongly support discretionary denial and one factor is neutral.

While it is unclear whether the due date for a final written decision (11/29/2026) in this IPR (if it were instituted) would occur before or after the trial in the Southwest District Court Litigation, regardless of whether the trial occurs a month or two before or after the due date for a final written decision, it is undisputable that there will be significant duplicative efforts by the PTAB and the district courts if this IPR proceeds. In fact, the district courts and parties will have invested significant resources in resolving issues—including claim construction and invalidity—before the PTAB even decides whether to institute this IPR.

The overlap in issues is undeniable. Petitioners have asserted the same invalidity theories and the same core references in the district courts and this IPR, in one case *even incorporating this Petition by reference* into the district court invalidity contentions. Ex. 2012, note 10 on page 17. Any lack of complete overlap

in challenged claims is purely a result of Petitioners' own litigation tactics and cannot justify institution. Petitioners' *Sotera* stipulation will be ineffective under the circumstances of this case because, in the district courts, Petitioners would merely rely on system art that is cumulative of the references asserted herein, which will allow Petitioners to repackage the same invalidity theories in different forums. As the Office's own guidance warns, such circumstances render a stipulation meaningless and do little to mitigate the inefficiencies and duplicative burdens that institution would impose.

Additionally, the identity of the parties across both forums weighs against institution. The Petitioners are the defendants in the related district court cases, and Patent Owner is the same in all proceedings. Moreover, the Petition's assertion (at 80) that "institution will promote judicial efficiency and fairness" is belied by every realistic outcome. If the IPR proceeds in parallel with the district court actions and the reexamination request filed by Petitioners proxy (Unified Patents), the result will be duplicative efforts across four forums, a heightened risk of inconsistent outcomes, and wasteful expenditure of judicial and party resources. Finally, Petitioners' strategy of using this IPR to advance inconsistent positions in multiple proceedings hoping one will prevail is not only unfair to Patent Owner, but a waste of the resources of the PTAB.

For all of these reasons—procedural and practical—the Director should decline institution under *Fintiv* and allow the more advanced, already ongoing district court and reexamination proceedings to adjudicate the validity of the ‘844 Patent.

VI. PETITIONERS’ INCONSISTENT CLAIM CONSTRUCTIONS WARRANT DISCRETIONARY DENIAL

Finally, the Petition should be denied under the Director’s discretionary authority because the Petition is predicated on claim construction positions that cannot be reconciled with those advanced by Petitioners in the Southwest and American District Court Litigations. In the district courts, Petitioners have taken the position that key claim terms of the ‘844 Patent are “indefinite under 35 U.S.C. § 112, ¶ 2” because they “fail to inform, with reasonable certainty, those skilled in the art about the scope of the invention.” Ex. 2012, 36 and 37-38 and Ex. 2013, 186-188. Yet, in this IPR, the Petitioners have abandoned those positions in favor of interpretations intended to support invalidity arguments in this IPR— all without acknowledging, let alone justifying, the inconsistency. While a Petitioner is not strictly prohibited from advancing inconsistent positions, a Petitioner doing so needs to explain why the inconsistent positions are warranted. *Cambridge Mobile Telematics, Inc. v. Sfara, Inc.*, IPR2024-00952, Paper #12, 8 (PTAB December 13, 2024) (informative) (“At a minimum, the Petition should have explained “why the

inconsistent positions are warranted”). Petitioners have provided no such explanation because there is no legitimate justification for Petitioners’ strategy of advancing inconsistent positions in multiple proceedings hoping one will prevail.

As detailed below, Petitioners’ indefiniteness allegations in the district courts cannot be reconciled with Petitioners’ position here “that the challenged claims are obvious under any reasonable interpretation under the *Phillips* standard.” Petition, 11 (emphasis added). Under *Phillips v. AWH Corp.*, 415 F.3d 1303, 1313 (Fed. Cir. 2005), claim terms are typically given their “ordinary and customary meaning” which “is the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention.” Petitioners’ indefiniteness positions in the district courts are irreconcilable with those taken by Petitioners in this IPR because a claim term cannot be both “indefinite under 35 U.S.C. § 112, ¶ 2” because it fails “to inform, with reasonable certainty, those skilled in the art about the scope of the invention” and, at the same time, have an “ordinary and customary meaning” as understood by “a person of ordinary skill in the art in question at the time of the invention.” Petitioner’s failure to present a consistent and legally sound claim construction undermines the integrity of this proceeding and provides ample basis for discretionary denial.

By way of example, in the district court, Petitioner Southwest alleges that the terms “only additional data blocks not previously contained in said root image” in

independent claim 7 of the ‘844 Patent are indefinite because “a POSA is unable to determine whether a system meets this limitation.” Ex. 2013, 187. Petitioner American Airlines asserts that the same phrase is indefinite in the district court. Ex. 2012, 38. Similarly, in the district court, Petitioner Southwest asserts that “accessed by at least on of said computer nodes” in independent claim 7 of the ‘844 Patent is “ambiguous.” Ex. 2012, 187. Again, Petitioner American asserts that the same phrase is indefinite in the district court. Ex. 2011, 37. By contrast, in this IPR, Petitioners say that they are applying *Phillips* and “that the challenged claims are obvious under any reasonable interpretation under the *Phillips* standard.” Petition, 11. However, a claim term that is indefinite, by definition, has no reasonable interpretation under *Phillips*, nor can a term that has an “ordinary and customary meaning” under *Phillips* be indefinite. Petitioner’s indefiniteness positions in the district court are not limited to the terms described above but extend to at least five terms.⁵ Ex. 2012, 37-38 and Ex. 2013, 187-188.

⁵ The rules of practice before the PTAB impose upon the parties “a duty of *candor* and good faith to the Office during the course of a proceeding.” 37 CFR §42.11(a) (emphasis added); *see also*, *Patent Quality Assurance, LLC v. VLSI Tech. LLC*, IPR2021-01229, Paper 102, 23 (PTAB Dec. 22, 2022) (precedential); and *OpenSky Indus., LLC v. VLSI Tech. LLC*, IPR2021-01064, Paper 102, 17 (PTAB Oct. 4, 2022) (precedential). The duty of candor requires parties to be *forthright* in their dealings with the PTAB. A Petitioner who *fails to be forthright* when taking a position before the PTAB that is inconsistent with that party’s position in another forum fails to satisfy their duty of candor. Such appears to be the case here. There can be little dispute that Petitioners failed to candidly inform the PTAB that they were taking

Under 37 C.F.R. § 42.104(b)(3), a petitioner must provide a clear articulation of “[h]ow the challenged claim is to be construed.” Here, the Petitioners failed to meet this burden by basing the Petition on claim constructions that **Petitioners themselves apparently believe are incorrect**. Moreover, Petitioners’ strategy of advancing inconsistent positions in multiple proceedings hoping one will prevail is a waste of the resources of the PTAB. These aspects of the Petition favor discretionary denial.

VII. CONCLUSION

The Director should exercise her discretion and deny institution because the reexamination request filed by Petitioners’ proxy (Unified Patents) and the present IPR challenge were filed the same day, challenge the same claims of the ‘844 Patent based on the same prior art references, rely on the testimony of the same expert, and assert identical grounds. There is no good reason for the Office to be entertaining two duplicative challenges running in parallel to the same patent. For this reason alone, the Director should exercise her discretion and deny institution.

claim construction positions in the Petition that were inconsistent with (and, in some cases, irreconcilable with) the claim construction positions being taken by Petitioners in two federal district courts. These circumstances further support discretionary denial of the Petition. Given the limited resources of the PTAB, it would be appropriate for the Director to refrain from referring a Petition to a merits panel where, as here, the Petitioners violated their duty of candor by failing to be forthright.

The Director should exercise her discretion and deny institution because Petitioners and Unified Patents are engaging in a campaign to harass Patent Owner with multiple coordinated challenges to the same patents, including the ‘844 Patent. Multiple challenges to the same patent are unfair to Patent Owner and not a good use of the Office’s limited resources.

The settled expectations of the parties strongly favor discretionary denial. Petitioners took no steps to challenge the ‘844 Patent during the 12 years that the patent has been in force. The significant length of time that the ‘844 Patent has been in force evidences strong well-settled expectations of the parties, which favors discretionary denial.

The *Fintiv* factors also favor the discretionary denial. Among other things, the policies behind *Fintiv*, including reducing the potential for duplicative efforts and inconsistent results, favor discretionary denial. Petitioners did not file this IPR to promote “efficiency and fairness” but rather for there to be multiple proceedings where Petitioners can advance inconsistent positions hoping that one will prevail.

Finally, in the district courts, Petitioners have taken the position that key claim terms of the ‘844 Patent are “indefinite” because, e.g., “a POSA is unable to determine whether a system meets this limitation,” while, in this IPR, the Petitioners have abandoned those positions in favor of interpretations intended to support

invalidity arguments in this IPR—without acknowledging, let alone justifying, the inconsistency. This type of gamesmanship also favors discretionary denial.

For all of these reasons, the Director should deny institution.

Respectfully submitted,

Dated: July 29, 2025

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CERTIFICATE OF COMPLIANCE WITH WORD COUNT

Pursuant to 37 C.F.R. § 42.24(d), I certify that this **BRIEF IN SUPPORT OF PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL** complies with the type-volume limits set forth in the Memorandum and 37 C.F.R. § 42.24 because it contains 8,468 words, excluding the parts of the Brief that are exempted by 37 C.F.R. § 42.24(a), according to the word processing system used to prepare this Brief.

Respectfully submitted,

Dated: July 29, 2025

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CERTIFICATE OF SERVICE

The undersigned certifies that pursuant to 37 C.F.R. § 42.6(e), a copy of the foregoing **BRIEF IN SUPPORT OF PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL** was served via email (as consented to by counsel) on July 29, 2025 to lead and backup counsel of record for Petitioner as follows:

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