

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

MAPLEBEAR INC. D/B/A INSTACART,
Petitioner,

v.

FALL LINE PATENTS, LLC,
Patent Owner.

IPR2025-00958
Patent 9,454,748

PETITIONER'S BRIEF AGAINST DISCRETIONARY DENIAL

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PETITIONER’S LIST OF EXHIBITS

Previously Filed:

- Ex. 1001: U.S. Patent No. 9,454,748 (“the ’748 patent”)
- Ex. 1002: Expert Declaration of Dr. Henry Houh
- Ex. 1003: Curriculum Vitae of Dr. Henry Houh
- Ex. 1004: Excerpts of the Certified Prosecution History of U.S. Patent No. 9,454,748 (“the ’748 patent”)
- Ex. 1005: U.S. Patent No. 6,961,586 (“Barbosa”)
- Ex. 1006: U.S. Patent No. 5,991,771 (“Falls”)
- Ex. 1007: U.S. Patent No. 6,006,034 (“Heath”)
- Ex. 1008: PCT International Patent Publication No. WO 00/31666 (“Short”)
- Ex. 1009: U.S. Patent Pub. No. 2002/0107726 (“Torrance”)
- Ex. 1010: U.S. Patent No. 6,332,127 (“Bandera”)
- Ex. 1011: U.S. Patent No. 7,171,661 (“Pinera”)
- Ex. 1012: U.S. Patent No. 6,460,138 (“Morris”)
- Ex. 1013: John R. Levine. et al., UNIX Programming Tools: lex & yacc, O'Reilly & Associates, Inc. (2d ed. 1995)
- Ex. 1014: Complaint, *Maplebear, Inc., d/b/a Instacart v. Fall Line Patents, LLC*, No. 4:25-cv-00137-MTS, Dkt. No. 2 (N.D. Okla. Mar. 25, 2025)
- Ex. 1015: Complaint, *Fall Line Patents, LLC v. Sprouts Farmers Market, Inc., et al.*, No. 5:24-cv-00182-RWS, Dkt. No. 1, (E.D. Tex. Nov. 25, 2024)
- Ex. 1016: Complaint, *Fall Line Patents, LLC v. Aldi Inc., et al.*, No. 5:24-cv-00172-RWS, Dkt. No. 1, (E.D. Tex. Nov. 25, 2024)

- Ex. 1017: *Ex Parte* Reexamination Certificate in *Ex Parte* Reexamination No. 90/012,829, canceling claims 1-14 of U.S. Patent No. 7,822,816
- Ex. 1018: Petition, *Unified Patents Inc. v. Fall Line Patents, LLC*, IPR2018-00043
- Ex. 1019: Institution Decision, *Unified Patents Inc. v. Fall Line Patents, LLC*, IPR2018-00043
- Ex. 1020: Final Written Decision, *Unified Patents Inc. v. Fall Line Patents, LLC*, IPR2018-00043
- Ex. 1021: Petition, *Starbucks Corp., et al. v. Fall Line Patents, LLC*, IPR2019-00610
- Ex. 1022: Institution Decision, *Starbucks Corp., et al. v. Fall Line Patents, LLC*, IPR2019-00610
- Ex. 1023: Final Written Decision, *Starbucks Corp., et al. v. Fall Line Patents, LLC*, IPR2019-00610
- Ex. 1024: Final Written Decision on Remand, *Starbucks Corp., et al. v. Fall Line Patents, LLC*, IPR2019-00610
- Ex. 1025: Petition, *Uber Technologies Inc., et al. v. Fall Line Patents, LLC*, IPR2018-00535
- Ex. 1026: Termination Decision, *Uber Technologies Inc., et al. v. Fall Line Patents, LLC*, IPR2018-00535
- Ex. 1027: Claim Construction Order, *Fall Line Patents, LLC v. Zoe’s Kitchen, Inc., et al.*, No. 6:18-cv-00407-RWS, Dkt. No. 228 (E.D. Tex. Jan. 23, 2023)
- Ex. 1028: Order Granting Stay Pending *Inter Partes* Review of the Patent-In-Suit, *Fall Line Patents, LLC v. Zoe’s Kitchen, Inc.*, No. 6:18-cv-00407, Dkt. No. 110 (E.D. Tex. Aug. 9, 2019)
- Ex. 1029: U.S. Patent No. 5,241,625 (“Epard”)
- Ex. 1030: U.S. Patent No. 7,689,387 (“Mathews”)

- Ex. 1031: U.S. Patent No. 5,588,105 (“Foster”)
- Ex. 1032: Stifle, Jack (1972), The Plato IV Architecture, CERL Report (revised ed.), Urbana, IL: University of Illinois, X-20
- Ex. 1033: Smith, Stanley G.; Sherwood, Bruce Arne (April 1976), “Educational Uses of the PLATO Computer System,” Science, 192 (4237), 344-52, DOI: 10.1126/science.769165
- Ex. 1034: U.S. Patent 7,016,417 (“Roman I”)
- Ex. 1035: U.S. Patent Pub. No. 2006/0129523 (“Roman II”)
- Ex. 1036: U.S. Patent No. 6,185,427 (“Krasner”)
- Ex. 1037: U.S. Patent No. 6,546,425 (“Hanson”)
- Ex. 1038: U.S. Patent Pub. No. 2002/0069192 (“Aegerter”)
- Ex. 1039: U.S. Patent No. 8,156,074 (“Multer”)
- Ex. 1040: U.S. Patent No. 7,003,767 (“Larkin”)
- Ex. 1041: U.S. Patent No. 6,381,535 (“Durocher”)
- Ex. 1042: PCT International Patent Publication No. WO 00/49530 (“Parasnis”)
- Ex. 1043: U.S. Patent No. 5,522,076 (“Dewa”)
- Ex. 1044: U.S. Patent No. 6,845,448 (“Changanti”)
- Ex. 1045: U.S. Patent Pub. No. 2001/0052009 (“Desai”)
- Ex. 1046: U.S. Patent No. 6,704,396 (“Parolkar”)
- Ex. 1047: U.S. Patent No. 5,404,488 (“Kerrigan”)
- Ex. 1048: Nick Ryan et al., “FieldNote: A Handheld Information System for the Field” (1999)
- Ex. 1049: Table Comparing Claims 1, 9, and 19 of the ’748 patent
- Ex. 1050: Patent Owner’s Infringement Contention Charts Against Uber Techs., Inc.

- Ex. 1051: Patent Owner’s Infringement Contention Charts Against Choice Hotels Intl., Inc.
- Ex. 1052: *Fall Line Patents, LLC v. Unified Patents, LLC*, No. 19-1956, Dkt. No. 127 (Fed. Cir. 2022) (decision affirming Final Written Decision in IPR2018-00043)
- Ex. 1053: Order Denying Request for Director Review, *Unified Patents Inc. v. Fall Line Patents, LLC*, IPR2018-00043
- Ex. 1054: Preliminary Infringement Contentions, *Fall Line Patents, LLC v. 7-Eleven, Inc., et al.*, No. 5:24-cv-00167-RWS, (E.D. Tex. Mar. 13, 2025)
- Ex. 1055: U.S. Patent No. 6,477,504 (“Hamlin”)
- Ex. 1056: U.S. Patent Pub. No. 2007/0208573 (“Malden”)
- Ex. 1057: U.S. Patent Pub. No. 2006/0075070 (“Merissert”)

Filed Herewith:

- Ex. 1058: Order Lifting Stay, *Fall Line Patents, LLC v. Zoe’s Kitchen, Inc.*, 6:18-cv-00407-RWS, Dkt. 164 (E.D. Tex. Oct. 10, 2022)
- Ex. 1059: Order Delaying Entry of Scheduling Order, *Maplebear, Inc. v. Fall Line Patents, LLC*, 4:25-cv-00137-SHE-MTS, Dkt. 46 (N.D. Okla. July 1, 2025)
- Ex. 1060: Consolidation Order, *Fall Line Patents, LLC v. Zoe’s Kitchen, Inc.*, 5:24-cv-167-RWS, Dkt. 19 (E.D. Tex. Feb. 21, 2025)
- Ex. 1061: Request for *Ex Parte* Reexamination of U.S. Patent 7,822,816 in *Ex Parte* Reexamination No. 90/012,829
- Ex. 1062: Expected Time to Trial Comparison
- Ex. 1063: Remand Decision, *AMC Multi-Cinema, Inc. v. Fall Line Patents, LLC*, Case No. 2021-1051, Dkt. 51 (Fed. Cir. 2021) (affirming in part and vacating in part for remand)

- Ex. 1064: H. R. Rep. No. 112-98, pt. 1 (2011)
- Ex. 1065: Fall Line's Opposition to Sprouts and ALDI's Motions to Transfer (REDACTED), *Fall Line Patents, LLC v. ALDI Inc. et al.*, 5:24-cv-00172-RWS, Dkt. 35 (E.D. Tex. July 1, 2025)
- Ex. 1066: Order Denying Motion to Transfer, *Fall Line Patents, LLC v. ALDI Inc. et al.*, 5:24-cv-00172-RWS, Dkt. 38 (E.D. Tex. Sept. 4, 2025)

Petitioner requests that the Director not discretionarily deny institution of this *inter partes* review (“IPR”) challenging U.S. Pat. No. 9,474,748 (the “’748 Patent”).

I. INTRODUCTION

This Petition seeks to finish what the Board started: cancellation of the only remaining claim in a patent that has been successfully challenged multiple times and that should never have issued. Those prior patentability challenges have already eliminated every challenged claim of the ’748 Patent except Claim 7.¹ Indeed, just over one year after issuance, the ’748 patent was challenged in an IPR that resulted in *all* challenged claims being found unpatentable. Shortly thereafter, another IPR was filed challenging additional claims of the ’748 Patent, resulting in all but one of the challenged claims, Claim 7, being found unpatentable. Claim 7 survived on a technicality: arguments relating to obviousness of claim 7 were deemed waived. This history establishes that Claim 7 has been living on borrowed time since issuance, and the only reasonable settled expectation is that its validity is doubtful.

PO is quick to note the prior adjudication of Claim 7, but does not acknowledge the tenuous thread by which that claim survived. In that IPR, the

¹ The parent of the ’748 Patent, U.S. Patent No. 7,822,816 (“the ’816 Patent”), over which the ’748 Patent was rejected for obviousness-type double patenting, fared even worse: *every single claim was found unpatentable* in an *ex parte* reexamination.

PTAB suggested that had petitioner simply argued the obviousness of two claim elements (as Petitioner does here)—rather than explicit disclosure—*it would likely have reached a different conclusion*. Ex. 1024 at 17, 26. In light of these facts—*i.e.*, every claim of the '748 patent and its parent having been disclaimed² or adjudicated as invalid, with the sole remaining claim surviving on a technicality—the only expectation here is that Claim 7 is *unpatentable*.

Material error during prosecution also counsels against discretionary denial. The Office granted the '748 Patent despite being aware of the reexamination of the parent '816 Patent, which was determined to be patentably indistinct from the '748 Patent claims. That the '748 Patent lives despite cancellation of its patentably indistinct parent is an error that demands correction.

The Petition is also strong, timely, and merits institution. The Petition was diligently filed less than two months after the filing of Petitioner's DJ Action. To any extent relevant, the Petition was also filed less than four months after Petitioner learned that its technology may be at issue in suits against two of Petitioner's

² PO disclaimed all remaining claims but for Claim 7—including Claim 8, which incorporates the elements of Claim 7—in a bid to avoid having the PTAB invalidate Claim 7 as it has all of the other claims it has reviewed. PO's recent disclaimer is best viewed as a tacit admission of invalidity that further militates against denial.

customers, and within two months of PO serving preliminary infringement contentions in those cases.

Further, the Petition squarely addresses the deficiency identified by the Board in the prior IPR challenging Claim 7, and demonstrates the trivial nature of the other claimed features through new references and combinations never before considered.

Petitioner has also submitted a *Sotera* stipulation.

PO spills much ink addressing its lawsuits against Petitioner's customers in the Eastern District of Texas ("Texas Litigations"), yet Petitioner is not a party to those cases. Since PO sued Petitioner's customers, but not Petitioner, Petitioner was forced to bring a declaratory judgment action of non-infringement ("Petitioner's DJ Action") in PO's hometown of the Northern District of Oklahoma. No schedule—much less a trial date—has been entered in that case, and the average time to trial suggests a trial date over a year and a half from now.

For at least these reasons, discretionary denial of the Petition is inappropriate.

II. THE PETITION WAS DILIGENTLY FILED

The Petition was filed on May 8, 2025, less than two months after Petitioner's DJ Action was filed (March 25, 2025) and before PO filed its Counterclaims against Petitioner (May 30, 2025). Petitioner was diligent in obtaining counsel, reviewing the troubled history of the '748 Patent, finding highly relevant prior art and combinations that had not previously been asserted, securing expert testimony, and

preparing the Petition, all in less than two months from the filing date of Petitioner’s DJ Action. This is a significantly shorter amount of time than in other cases where the Board found sufficient diligence. *PEAG LLC v. Varta Microbattery GmbH*, IPR2020-01212, Paper 8 at 20 (PTAB Jan. 6, 2021) (four months after service of complaint); *DISH Network L.L.C. v. Broadband iTV, Inc.*, IPR2020-01332, Paper 14 at 28 (PTAB Jan. 21, 2021) (less than three months after receiving infringement positions); *Illumina, Inc. v. Natera, Inc.*, IPR2019-01201, Paper 19 at 8 (PTAB Dec. 18, 2019) (more than nine months after first assertion of infringement).

PO complains that this Petition was not filed until “almost six months after” Petitioner’s customers received complaints in the Texas Litigations. But Petitioner is not its customers. *See Nikon Corp. v. Optimum Imaging Techs., LLC*, IPR2024-01374, Paper 19 at 17, 19, n. 6 (PTAB Apr. 29, 2025) (service of a complaint on a petitioner, not mere awareness, is the appropriate metric for diligence). PO knows this, and opposed a motion to transfer the Texas cases to Oklahoma by arguing that Petitioner’s customers, not Petitioner, are the responsible infringers in the Texas Litigations. Ex. 1065 at 12-16 (ECF Header page numbers); *see also* Ex. 1066 (Texas Court finding that “the current record does not support the idea that ALDI and Sprouts are ‘merely a reseller’ of Instacart’s product”). PO cannot have it both ways. *See Dolby Labs., Inc. v. Intertrust Technologies Corp.*, IPR2020-00661, Paper 13 at 11-12 (PTAB Oct. 15, 2020) (refusing to treat a customer case in Texas

as if it were against a supplier Petitioner and noting that, in opposing a motion to transfer, PO sought to distance the petitioner from the customer lawsuit).

Even if the Texas Litigations were relevant (they are not), a less-than-two-month timeframe after PO served preliminary infringement contentions, and six months from service of the complaints are well within timeframes the Board has recognized as diligent. *See Intel Corp. v. VLSI Tech. LLC*, IPR2019-01192, Paper 15 at 12 (PTAB Jan. 9, 2020) (eleven months); *Snap, Inc. v. SRK Tech. LLC*, IPR2020-00820, Paper 15 at 11-12 (PTAB Oct. 21, 2020) (a year). Here, both the Texas Litigations and the Oklahoma case are in an early stage (*see* §§ III.B.2-3, *infra*), which favors a finding that Petitioner was diligent. *See ResMed Corp. v. Cleveland Medical Devices, Inc.*, IPR2025-00160, Paper 11 at 13-14 (PTAB Jun. 13, 2025) (petition filed over 11 months after service of complaint while the litigation was in an early stage). Thus, the Petition was diligently filed.

III. DENIAL UNDER § 314(A) WOULD BE IMPROPER

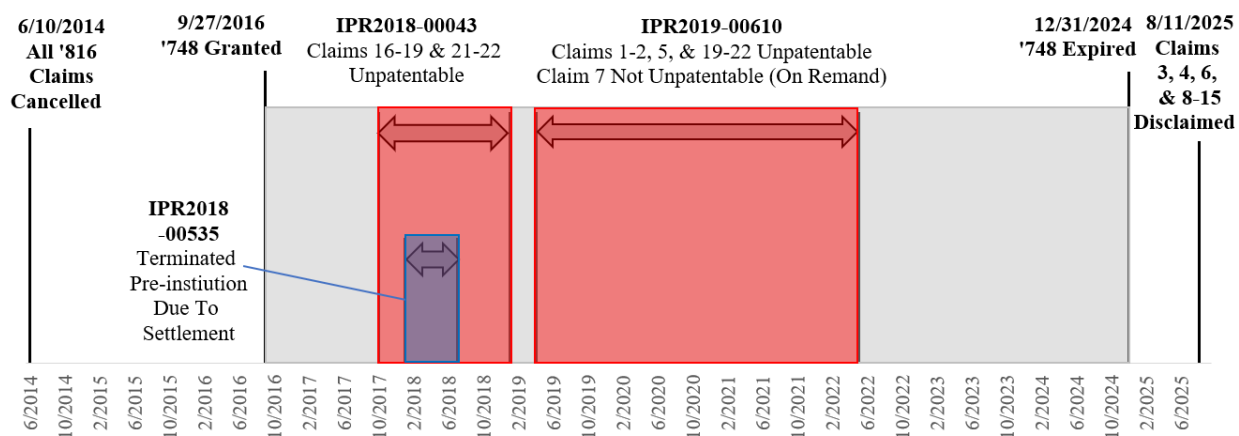
A. Factors Outlined in the March 26, 2025, Interim Processes Memorandum Weigh Against Discretionary Denial

The USPTO’s memorandum on workload management introduced several factors in considering discretionary denial. These factors counsel against denial.

1. There are No Settled Expectations of Patentability

“There may be persuasive reasons why the Board should review challenged claims several years after their issuance date.” *Intel Corp. v. Proxense LLC*,

IPR2025-00327, Paper 12 at 2-3 (PTAB Acting Director Jun. 26, 2025). Here, the '748 Patent has *always* existed under a cloud of invalidity. To begin, the '748 Patent's patentability was in question even before issuance: the entirety of its parent '816 Patent—over which applicant filed a terminal disclaimer—was cancelled in an *ex parte* reexamination. Ex. 1017. Thus, it was no surprise that, shortly after issuance, the PTAB in IPR2018-00043 invalidated all six challenged claims of the '748 Patent. Ex. 1020 at 2, 70. In IPR2019-00610, the PTAB invalidated another seven claims. The one surviving challenged claim—Claim 7—survived only because the Petitioner failed to raise, and thus waived, the obviousness argument made here. If one reviews this history (illustrated below), the most reasonable expectation is that the sole remaining claim is just as invalid as its fallen brethren.



Timeline of PTAB Activity of the '748 Patent

PO cites the most recent IPR proceeding (challenging claims 1, 2, 5, 7, 19-22) as supposed evidence of strength. Ex. 1021 at 5. In reality, that proceeding found all challenged claims except Claim 7 unpatentable. Ex. 1023 at 3, 63-64. On appeal,

the Federal Circuit vacated and remanded as to Claim 7. Ex. 1063. On remand, the Board—confined to the grounds presented—concluded that petitioner had not demonstrated the unpatentability of elements [7b] and [7f]. Ex. 1024 at 3-5.

Far from confirming patentability, these prior decisions only highlight the claim’s infirmity. Indeed, even while acknowledging that petitioner had not timely argued that element [7b] was an obvious modification of Barbosa, the Federal Circuit still asked the Board to reconsider whether the totality of the Barbosa disclosure cited by petitioner taught Claim 7. Ex. 1063 at 15-17, 21. The Federal Circuit’s remand reflected its skepticism regarding Claim 7.

The Board likewise emphasized on remand that its hands were tied because its review was limited to the asserted grounds, and *not* to whether such features might have been obvious in view of Barbosa and/or other references. *See* Ex. 1024 at 17 (“the issue on remand is whether Barbosa discloses the automatic transfer of an executable questionnaire, not whether such a transfer is taught or suggested by the combination of Barbosa and Falls”), 26 (“Whether ... the automatic transfer of executable questionnaires are suggested by Barbosa alone, or in combination with Fall’s description ... is not the issue before us.”), 32 (“It was too late for Petitioner to raise the issue of whether Barbosa suggests or renders obvious limitation 7(f)...”).

Adding to this shaky history, all claims of the ’748 Patent’s parent ’816 Patent were cancelled in an *ex parte* reexamination even before the ’748 Patent issued. Ex.

1017; Ex. 1061. This is notable because the Office had previously rejected the '748 Patent's claims as being patentably indistinct from those of the '816 Patent, and applicant filed a terminal disclaimer to obviate that rejection. Ex. 1004 at 65-67, 248-249. And although PO notified the Office of the existence of the '816 Patent's reexamination proceeding in the prosecution of the '748 Patent, PO elected not to provide any of the reexam's substantive analysis (e.g., office actions) nor the reexamination certificate cancelling *all* claims of the '816 Patent. "The fact that the Board previously determined related claims to be unpatentable—prior to the issuance of the challenged claims in this proceeding—tips the balance against discretionary denial." *See POSCO Co., Ltd. v. ArcelorMittal*, IPR2025-00370, Paper 10 at 2-3 (PTAB Acting Director Jun. 25, 2025) ("It is an appropriate use of Office resources to provide consistency and predictability to the public, and to ensure that a patent applicant ... does not take action inconsistent with the judgment in a prior Office proceeding.")

Accordingly, the cases PO cites in support of its supposed settled expectations of patentability are inapposite; none involved a patent—like the '748 Patent—whose validity has been consistently undermined since its issuance. *See Mylan Labs. Ltd. v. Janssen Pharmaceutica, N.V.*, 989 F.3d 1375 (Fed. Cir. 2021); *Vertiv Corp. v. Valtrus Innovations Ltd.*, IPR2025-00667, Paper 11 (PTAB Acting Director July 31,

2025). Nor did any involve a cancelled parent patent over which the patent-at-issue had been rejected for double patenting.

For at least these reasons, the Board should not discretionarily deny institution: there are no settled expectations of patentability, and reviewing Claim 7 now would promote consistency with the Board's prior unpatentability determinations regarding the '748 Patent and its parent.

2. The PTAB Has Opined on the Patentability of Claim 7

The prior adjudications of the '748 Patent have been overwhelmingly successful in finding claims *unpatentable*, and thus strongly weighs against discretionary denial. And as also noted, although Claim 7 was found to be not unpatentable, that decision was grounded in procedure, not the merits. The Federal Circuit and the Board's decisions were rife with indications that Claim 7 would have been found unpatentable had petitioner simply argued that elements [7b] and [7f] were *obvious*. Ex. 1024 at 6, 16-17, 26-27, 32-34; Ex. 1063 at 15-16.

3. Petitioner's Challenges are Strong

Petitioner's challenges here address the precise elements that prevented invalidation of Claim 7 in earlier proceedings. The Board has already determined that all other limitations were taught by the prior art. Ex. 1023 at 52; Ex. 1024 at 6, 26-27, 32. The obviousness of the only other elements—[7b] and [7f]—were not considered because prior petitioners did not timely raise those issues.

This Petition closes that gap. It presents the obviousness of [7b] and [7f] over Barbosa alone and/or Barbosa in view of Falls, exactly as the Board indicated would have been dispositive had that argument been made. Ex. 1024 at 6, 16-17, 26-27, 32-34. This Petition also asserts new art, e.g., Short and Heath, not previously considered. Together, these references and combinations confirm that Claim 7's features are trivial and were well-known in the art. *See* Petition, §§ VIII.A-C.

4. Petitioner Properly Relies on Expert Testimony

PO complains that the Petition relies on expert testimony. PO cites PTAB guidance noting that “[w]hile the Board may consider expert testimony, as a matter of efficiency, extensive reliance on expert testimony and/or reasonable disputes between experts on dispositive issues may suggest that the questions are better resolved in an Article III court.” PO Brief at 10-11.

But here, there is no evidence that this IPR will devolve into an undue series of “disputes between experts” as PO has not identified an expert or used that expert to dispute anything here. *See* FAQs for Interim Processes, No. 22. Moreover, Petitioner’s expert properly proffers detailed and focused testimony providing helpful context unavailable to the examiner during prosecution regarding the knowledge and understanding of a POSA, and explaining certain terms of art. *See, e.g.,* Ex. 1002 at ¶¶ 114 (context and explanation for “loose network”), 123 (same for “first computer platform”), 125 (explanation of “questionnaire” in the context of

object-oriented languages), 143 (context as to a POSA’s understanding of the automatic transfer of data); *see* FAQs for Interim Processes, No. 22 (appropriate testimony includes “provid[ing] helpful context or [] explain[ing] terms of art”).

The testimony does not attempt to, *e.g.*, improperly fill in gaps in the art, but instead supplies the type of technical context the Board has consistently recognized as useful. *See id.*; *iRhythm Techs., Inc. v. Welch Allyn, Inc.*, IPR2025-00363, Paper 10 at 2–3 (PTAB Acting Director June 18, 2025) (failure to identify any expert testimony that suggest Petitioner is using its expert to fill gaps in the prior art weighs against discretionary denial, granting denial on other grounds). While PO generically complains about the Petition’s citations to and page length of Dr. Houh’s declaration (PO Brief at 10-11), it never argues that the testimony is being used for an improper purpose. The length of the declaration merely reflects the number of claims (before PO’s disclaimer), the multiple grounds advanced, Petitioner’s duty to support its obviousness rationales, and the Board’s requirement that expert testimony “disclose the underlying facts or data on which the opinion is based.” 37 C.F.R. § 46.25(a); *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 415-421 (2007).

Accordingly, this factor also weighs against discretionary denial.

B. The *Fintiv* Factors Favor Institution

The *Fintiv* factors as set forth in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB Mar. 20, 2020) (precedential) also collectively favor institution.

1. Factor 1: A Stay Will Likely Be Granted for Petitioner

The Petition challenges the sole claim—Claim 7—asserted against Petitioner in the Northern District of Oklahoma. If IPR is instituted, Petitioner would request a stay, as a decision in Petitioner’s favor would resolve the dispute in its entirety.

The Northern District of Oklahoma has denied a stay pending IPR only where the underlying infringement claim had already been dismissed from the case. *Brown v. Kruger Family Holdings, II, LLC*, No. 4:20-cv-00278, 2021 WL 3722332 (N.D. Okla. Aug. 23, 2021). That is not the case here as PO’s Counterclaim of infringement in Petitioner’s DJ Action remains pending. Even if PO’s Counterclaim were dismissed, Petitioner’s underlying DJ Action of non-infringement would continue, and this IPR would remain relevant to, and justify a stay of, that action.

As to the Texas Litigations, Petitioner is not a party to those cases. Under the PTAB’s petitioner-focused framework, those customer suits are not controlling; rather, they matter only to highlight that a single PTAB decision on Claim 7 would promote systemic efficiency and avoid duplicative, individual retailer-specific trials.

Regardless, the Eastern District of Texas grants stays following institution of an IPR. *See, e.g., Cellspin Soft, Inc. v. Bytedance, Ltd.*, No. 2:23-cv-00496, Dkt. No. 106 (E.D. Tex. Jan. 27, 2025); *Cobblestone Wireless, LLC v. Cisco Systems, Inc.*, No. 2:23-cv-00454, Dkt. No. 80 (E.D. Tex. Dec. 9, 2024); *Foras Techs. Ltd. v. Aptiv PLC*, No. 2:23-cv-00314, Dkt. No. 92 (E.D. Tex. Jul. 25, 2024); *STA Group LLC v.*

Motorola Sols., Inc., No. 2:22-cv-00381, Dkt. No. 264 (E.D. Tex. Jul. 4, 2024). Indeed, the Eastern District of Texas granted a three-year stay pending resolution of IPR in a prior case alleging infringement of the '748 Patent. Ex. 1028.

PO argues that the Texas Court in that prior case remarked that “any *further* stay would be inappropriate.” PO Brief at 6. But this comment was made in the context of *lifting* the three-year stay pending IPR, covering a first written decision, Federal Circuit appeal, and a second final written decision. Ex. 1058; Ex. 1028 at 2. There is no indication that the Texas Court would not similarly grant a stay here.

2. Factor 2: No Trial Date Has been Scheduled in the Only Case To Which Petitioner is a Party

Petitioner’s DJ Action, the only parallel litigation with Petitioner as a party, was filed on March 25, 2025, and no trial date has been set. Ex. 1014; Ex. 1059. Nonetheless, average time-to-trial in the Northern District of Oklahoma over the last 10 years is 2 years and 41 days, which suggests a trial date (i.e., May 2027) beyond the expected date of a final written decision (i.e., December 2026). Ex. 1062 at 1.

PO incorrectly argues that the Texas Litigations should be considered because the defendants are Petitioner’s customers. PO Brief at 7. But when a Petitioner is not a party to the litigation, “*Fintiv* factor 2 weigh[s] strongly against exercise of discretion.” *Bose Corp. v. Koss Corp.*, IPR2021-00680, Paper 15 at 15 (PTAB Oct. 13, 2021). And, as *Luminex* explained, treating a customer suit as if it were a litigation against a manufacturer would “have the perverse result of encouraging

patent owners to file infringement complaints against retailers to escape the threat of potential IPR challenges by manufacturers.” *Luminex Int’l Co. v. Signify Holdings B.V.*, IPR2024-00101, Paper 20 at 13-14 (PTAB Director Nov. 21, 2024).

PO also alleges that Petitioner’s customers are “privies of Instacart” (PO Brief at 7), but there is no evidence or precedent that supports this position. On the contrary, the Director has found that standard contracting agreements, including indemnification obligations, between customer and manufacturer, without more, do *not* make the customer a privy or real-party-in-interest of the manufacturer. *Luminex*, IPR2024-00101, Paper 20, at 11 (third party seller requesting indemnity was not privy or RPI); *see also Intel Corp. v. AX Wireless, LLC*, IPR2023-01145, Paper 11 at 43 (PTAB Mar. 5, 2024) (third-party litigation should not be imputed to petitioner where “Patent Owner does not direct us to evidence to support its argument that [third parties] are real parties-in-interest or privies ... [or] evidence demonstrating any involvement or control by [third parties] in this proceeding”); *see also* Ex. 1066 (Texas Court ruling that Petitioner’s customers are not mere resellers).

PO cites two examples where the Board considered trial dates of non-petitioner proceedings, *Mylan* and *Vertiv*, but fails to mention that, in each, the Board considered the *petitioner’s* estimated trial dates. PO Brief at 7-8; *Mylan*, 989 F.3d at 1377-78; *Vertiv*, IPR2025-00667, Paper 11 at 2. In those cases, the petitioner’s case was *also* expected to reach final resolution before the Board’s decision would

be due. That is not the case here.³ Moreover, the Board routinely grants institution when a customer lawsuit proceeds in parallel with a supplier petition, even when an expected trial date precedes an expected date of final written decision. *See Fintiv* Factor 5, *infra*. Accordingly, the trial dates in Texas bear little, if any, relevance.

3. Factor 3: Litigation Investment is *De Minimis*

Petitioner's DJ Action is in its infancy, with no discovery having been conducted. The Oklahoma Court has yet to enter a schedule. Ex. 1059. Accordingly, the overall expenditure of efforts and resources to date has been low.⁴

³ The estimated trial date in the Texas Litigations is August 2026, but with seven defendants, each entitled to an independent trial, trial for Petitioner's customers is likely to be delayed, potentially past the expected date of a final written decision. Ex. 1060 (Consolidation Order). Even so, the Acting Director has found discretionary denial inappropriate where an expired patent was asserted and trial was expected prior to the expected final written decision. *Apple Inc. v. Ferid Allani*, IPR2025-00856, Paper 11 at 3-4 (PTAB Acting Director Sept. 5, 2025).

⁴ While not relevant, expenditures in the Texas Litigations, are circumscribed: claim construction briefing is still on-going, and discovery will not complete until well into 2026. A *Markman* hearing is set for October 9.

4. Factor 4: Petitioner's DJ Action Does Not Challenge Validity

Petitioner's DJ Action does not challenge the validity of the '748 Patent on prior art grounds. (Petitioner has raised a § 101 defense to PO's counterclaims). Further, Petitioner stipulates not to pursue in district court (or the ITC) any ground raised or that could have been reasonably raised in the IPR/PGR. *Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 (PTAB Dec. 1, 2020) (precedential as to § II.A). Accordingly, there is minimal overlap between this Challenge and the issues in any related parallel proceedings.

Also, contrary to PO's arguments, Petitioner's *Sotera* stipulation is sufficient even in light of the invalidity challenges in the Texas Litigations. Where petitioner has made a *Sotera* stipulation, petitioner has "done its part to 'mitigate[] any concerns of duplicative efforts.'" *Luminex*, IPR2024-00101, Paper 20 at 30. PO's argument—essentially that *any* existing district court invalidity challenge should prevent institution of an IPR by a third party—would render a *Sotera* stipulation and the one-year bar pointless. It is telling that the only authority PO cites (*Motorola Solutions, Inc. v. Stellar, Inc.*, IPR2024-01205, Paper 19 at 4 (PTAB Acting Director Mar. 28, 2025)) describes a parallel proceeding between the patent owner and the *petitioner*, not between the patent owner and a third party. PO Brief at 9; *compare Luminex*, IPR2024-00101, Paper 20 at 26-28 (vacating denial of institution based on statutory bar when petitioner was not party to original complaint).

5. Factor 5: The Parties' Relationships Do Not Favor Denial

Petitioner's customers are parties to the Texas Litigations, Petitioner is not. Accordingly, resolution of the disputes between PO and Petitioner's customers would not resolve all disputes between PO and Petitioner. Further, PO cites no authority justifying extension of *Fintiv* to a supplier IPR petition based on parallel customer litigation. That is likely because the Board routinely grants institution when a customer suit proceeds in parallel with a supplier petition, even where expected completion of that customer suit precedes the projected final IPR decision date. *See POSCO*, IPR2025-00370, Paper 10 at 2-3; *Dolby Labs.*, IPR2020-00661, Paper 13 at 8-12; *Bose*, IPR2021-00680, Paper 15 at 15, 18-19; *Applied Materials, Inc. v. Ocean Semiconductor LLC*, IPR2021-01344, Paper 17 at 28 (PTAB Feb. 9, 2022); *AX Wireless LLC*, IPR2023-01145, Paper 11 at 43.

6. Factor 6: Petitioner Deserves Efficient Resolution of Validity

Petitioner presents compelling unpatentability challenges that merit institution especially in light of the Board's decision in IPR2019-00610. *See* §§ I, III.A.3, *supra*. Here, Petitioner presents, for the first time, compelling *obviousness* arguments not only with respect to Barbosa in view of Falls, but also with new art.

Further, efficiency and integrity favor resolving the patentability of Claim 7 in the tribunal most familiar with the primary references (*i.e.*, Barbosa and Falls). *See Thryv, Inc. v. Click-To-Call Techs., LP*, 590 U.S. 45, 54 (2020) ("Congress . . .

sought to weed out bad patent claims efficiently” through IPRs); Ex. 1064 at 40 (“The legislation is designed to...limit unnecessary and counterproductive litigation costs”). In prior IPRs challenging the ’748 patent, Barbosa was analyzed in detail across two final written decisions. Ex. 1023 at 63; Ex. 1024; *see also* Ex. 1026 at 1-3 (settled prior to institution decision). The PTAB is the best tribunal to provide a consistent decision—validity can be resolved once, avoiding duplicative efforts and possibly inconsistent outcomes across multiple lawsuits against not only Petitioner and its customers, but many other defendants sued across Fall Line’s campaigns.

For at least these reasons, the *Fintiv* factors weigh against denial.

IV. DENIAL UNDER § 325(D) WOULD BE IMPROPER

Considering the two-part framework discussed in *Advanced Bionics, LLC v. Med-El Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 8-9 (PTAB Feb. 13, 2020), the Board should not deny institution under §325(d).

This Petition is the fourth challenging the ’748 Patent (*see* IPR2018-0043, IPR2018-00535, IPR2019-00610; collectively, “the Prior ’748 IPRs”); however, there is no overlap in petitioners or RPIs. Regarding part (1) of the *Advanced Bionic* framework, the arguments set forth in this Challenge are not the same or substantially the same as those in the Prior ’748 IPRs. Here, the Petition explains *the obviousness* of [7b] and [7f].

The Petition also relies upon art—Heath and Short—never before presented,

which is materially different from art previously presented. These references further prove the unpatentability of Claim 7. For example, Heath explicitly discloses automatic application updating, while Short explicitly teaches making questionnaire responses available over the Internet.

Even if part (1) were satisfied, the Office still “erred in a manner material to patentability such that discretionary denial ... is not appropriate” under part (2). *ClearCorrect Operating, LLC v. Align Tech., Inc.*, IPR2025-00814, Paper 14 at 3 (PTAB Acting Director Aug. 14, 2025). As in *ClearCorrect*, the Office here was aware of a review of an ancestral patent with substantially similar claims (i.e., *ex parte* reexamination and an IPR of the ’816 Patent),⁵ yet still granted the ’748 Patent without explaining “why the challenged claims were patentably distinct from those the Board found unpatentable, despite the strong similarity between the claims.” Ex. 1004 at 144-47, 248, 431-32, 616-18; *ClearCorrect*, IPR2025-00814, Paper 14 at 3-4. In fact, the examiner had rejected the ’748 claims as patentably *indistinct* over the ’816 Patent. Ex. 1004 at 144-47, 248, 431-32, 616-18. The Acting Director in *ClearCorrect* found that such facts dictated rejection of the discretionary denial request, and the Acting Director should follow that ruling here. *Id.*; *see also* *POSCO*,

⁵ None of the briefings, office actions, or responses related to the IPR or EPR of the ’816 Patent were cited in the prosecution of the ’748 Patent.

IPR2025-00370, Paper 10 at 2-3 (a previous Board determination of unpatentability of claims of a parent patent tips the balance against discretionary denial).

In addition, references now relied on—Barbosa, Heath, and Short—were not cited, much less distinguished, during prosecution. Part 2 of *Advanced Bionics* may be satisfied if “the asserted prior art was not a basis for rejection during examination, is not substantially the same as prior art the Examiner applied, and includes specific teachings that impact patentability of the challenged claims.” *Ecto World, LLC, v. RAI Strategic Holdings, Inc.*, IPR2024-01280, Paper 13 at 5 (PTAB Acting Director May 19, 2025) (precedential) (quotes omitted). That is exactly the case here. Though Barbosa was the subject of a prior IPR, the PTAB could only consider the petitioned grounds. The Office is not so restricted during prosecution and thus overlooked obviousness in view of Barbosa.

Finally, during prosecution, the examiner noted that “the prior art singly or in combination does not teach the totality of the independent claims” and the claims “recite[] the use of a GPS integral thereto.” Ex. 1004 at 617-18. Barbosa teaches such features, yet this teaching was never addressed on the merits. *See Eunsung Global Corp. v. HydraFacial LLC*, IPR2025-00445, Paper 14 at 2 (PTAB Acting Director July 10, 2025). Thus, discretionary denial under § 325(d) is not appropriate.

V. CONCLUSION

Review should be instituted and Claim 7 canceled.

Dated: September 12, 2025

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CERTIFICATION UNDER 37 CFR §42.24(d)

Under the provisions of the Interim Processes for PTAB Workload Management and 37 CFR §42.24, the undersigned hereby certifies that the page limit for the foregoing Petitioner's Brief Against Discretionary Denial totals 20 pages, which is equal to the allowed pages under the Interim Director Discretionary Process.

Pursuant to 37 C.F.R. §42.24(a)(1), this count does not include the table of contents, the table of authorities, mandatory notices under §42.8, the certificate of service, this certification of word count, the claims listing appendix, or appendix of exhibits.

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CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e), I hereby certify that I caused a true and correct copy of this **PETITIONER'S BRIEF AGAINST DISCRETIONARY DENIAL** in connection with IPR2025-00958 to be served via e-mail on September 12, 2025, in its entirety on the following counsel of record for Patent Owner:

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