

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMERICAN AIRLINES, INC. AND SOUTHWEST AIRLINES CO.,

Petitioners,

v.

INTELLECTUAL VENTURES I LLC,

Patent Owner.

Case No. IPR2025-00987

U.S. Patent No. 8,407,722

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

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PATENT OWNER'S EXHIBIT LIST

Ex. 2001	American Airlines Webpage - Information Technologies
Ex. 2002	Abstract of Title for U.S. Patent No. 8,407,722
Ex. 2003	Agreed Scheduling Order in Southwest Litigation
Ex. 2004	Docket from <i>Intellectual Ventures I LLC et al. v. American Airlines, Inc.</i> , 4:24-cv-980 (EDTX)
Ex. 2005	Order Denying Motion To Sever And Stay in from <i>Intellectual Ventures I LLC et al. v. American Airlines, Inc.</i> , 4:24-cv-980 (EDTX)
Ex. 2006	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. 2007	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)
Ex. 2008	Docket from <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 for at least the following reasons:

First, the settled expectations of the parties favor discretionary denial. The ‘722 Patent issued in 2013 with claims directed to systems for remotely updating content -- a technology area that both Petitioners have actively developed and used for many years.¹ During that time, the Patent Owner had a well-documented history of licensing its portfolio (including the ‘722 Patent) in the exact technology fields at issue. Despite the fact that the ‘722 Patent was publicly available and provided notice to Southwest and American, Southwest and American took no steps to challenge the ‘722 Patent during the almost 12 years that the patent had been in force. Rather, Southwest and American waited until now -- several months after the ‘722 Patent expired -- to launch their challenges. The significant length of time that the ‘722 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. 2001 (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, 98. Thus, it is unclear whether the due date for a final written decision (December 13, 2026) in this IPR (if it were instituted) would occur before or after the trial. Regardless of whether the trial in the district court occurs weeks before or weeks 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 99) that “institution will promote judicial efficiency and integrity” 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 two claim constructions involving the ‘722 Patent -- one by Judge Albright in the Southwest litigation, and another by Judge Mazzant in the American litigation. If this IPR goes forward, three Administrative Patent Judges at the PTAB will also need to conduct their own claim construction analysis of the ‘722 Patent. Clearly, the addition of another claim construction analysis by three PTAB Judges (on top of two analyses by Federal District Court Judges) 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 ‘722 Patent are “indefinite” because, for example, “a POSA cannot determine whether a system meets this limitation.” Ex. 2007, 190. By contrast, in this IPR, the Petitioners have abandoned those positions in favor of interpretations intended to support invalidity arguments — **without even acknowledging**, let alone justifying, their inconsistency. Rather than advancing “judicial efficiency and fairness” (see, Petition, at 98), it is clear that Petitioners’ strategy is to tactically advance inconsistent positions in multiple proceedings, hoping one will prevail. Allowing such tactical inconsistency violates basic principles of fairness and is a waste of the resources of the PTAB.

Fourth, the Petition is substantially based on references previously presented to the Office. For example, Tsutsumitake (Ex. 1006) and Bird (Ex. 1008) were before

the Office several months ago in connection with a reexamination of the ‘722 Patent (reexamination no. 90/019,662) (now concluded), and Herz (Ex. 1009) is listed on the face of the ‘722 Patent and was considered during the original prosecution.

Finally, the facts here are materially different from the situation in *Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00217, Paper 9, at 2–3, where the Board found that the parallel district court litigation “involves eleven patents spanning nine different families that involve a diverse range of subject matter.” The co-pending district court actions involving American Airlines and Southwest Airlines focus on two tightly related technical domains that overlap across both airline defendants. Accordingly, the rationale of *Tesla* does not apply here.

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

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

Despite engaging in commercial activity directly related to the subject matter of the ‘722 Patent for years, Petitioners waited until now -- several months after the ‘722 Patent expired -- to initiate this IPR. The long period of time that the ‘722 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 ‘722 Patent has been in force strongly favors discretionary denial.²

² The ‘722 Patent (which issued in 2013) has always been owned by companies owned and controlled by Invention Investment Fund II, LLC (IIF II). As set forth in

The Director’s decision in *Shenzhen Tuozhu Technology Co., Ltd. v. Stratasys, Inc.*, IPR2025-00438, Paper 10, is inapposite. There, the Director found that the “challenged patent has never been ‘commercialized, asserted, marked, licensed, or otherwise applied’ in Petitioner’s ‘particular technology space,’” and concluded that this lack of activity undermined any argument that the petitioner could have had settled expectations about being free from suit. *Id.* (emphasis added). That rationale has no application here. Patent Owner Intellectual Ventures has actively licensed its patent portfolio—including the ‘722 Patent at issue in this IPR—for many years. Unlike in *Shenzhen Tuozhu*, the challenged patent has not lain dormant or been restricted to unrelated fields. Rather, the ‘722 Patent has been continuously and purposefully licensed in the very same open-source software technology space that is the subject of Patent Owner’s claims against Petitioners in the district courts.

The settled-expectations factor, as articulated in *Shenzhen Tuozhu*, is intended to prevent the IPR process from undermining a reasonable reliance on, *inter alia*, a

the Abstract of Title, on May 18, 2004, the prior owner of the application upon which the ‘722 Patent was based assigned its rights to Shaw Parsing LLC (a company owned/controlled by IIF II). Ex. 2002, Assignment #2. On August 11, 2015, Shaw Parsing LLC was merged into Zarbana Digital Fund, LLC (a company owned/controlled by IIF II). Ex. 2002, Assignment #3. On November 2, 2023, Zarbana Digital Fund, LLC assigned its interest to Intellectual Ventures II LLC, which was owned/controlled by IIF II. Ex. 2002, Assignment #4.

longstanding absence of licensing activity. But that logic does not apply where, as here, the patent owner has demonstrated consistent, field-specific licensing of the patent over a period of almost a decade. To hold otherwise would penalize the exact type of commercial reliance that the factor is meant to protect and would distort the Director's framework by extending it to cases where settled expectations clearly rest with the patent owner. Accordingly, this case presents none of the equitable considerations that justified institution in *Shenzhen Tuozhu*. The Director should therefore exercise her discretion under 35 U.S.C. § 314(a) and deny institution based on settled expectations.

III. 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 '722 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. 2003, 4. However, as the Petition acknowledges, the trial date “often changes.” Petition, 98. Thus, it is unclear whether the due date for a final written decision (12/13/2026) 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 weeks before or weeks 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. 2004, 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

On February 14, 2025, American Airlines had filed a request to stay certain claims on the basis of the customer-suit exception, which was denied by the court on July 30, 2025. Ex. 2005. No stay has been granted, *nor even requested*, relating to the ‘722 patent in the Southwest District Court Litigation. Pet., 98. In addition,

even if this IPR was instituted (which would not occur until on or around December 13, 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, 98. Thus, it is unclear whether the due date for a final written decision (12/13/2026) 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, 98-99. 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 if the second *Fintiv* factor is met for even one Petitioner. For example, in addition to the claim interpretation performed by the Examiner who handled the now concluded reexamination of the ‘722 Patent, 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 ‘722 Patent. If this IPR goes forward, the PTAB will also need to conduct its own claim construction analysis of the ‘722 Patent. Thus, if this IPR were to go forward, the resources of 5 judges and an Examiner -- will have been needed to construe the claims -- i.e., Judge Albright, Judge Mazzant, the Examiner who handled the now-concluded reexamination, 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 who handled the 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 December 13, 2025. *Id.* By the time the Board’s institution decision is due (on 12/13/25), the Markman briefing and hearings in both the American and Southwest District Court Litigations (scheduled for 10/14/25 and 12/8/25, respectively) will have been completed, 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 December 13, 2025.

The Petition was filed on May 9, 2025. At that time, Petitioners asserted that the Petition was filed “before claim construction briefing.” Petition, at 99. Petitioners’ assertion about the state of affairs on May 9, 2025 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 December 13, 2025 -- rather than May 9, 2025. *Fintiv*, Paper 11 at 9. There can be no argument that by December 13, 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 therefore 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 invalidity grounds asserted in this IPR. Ex. 2006, 13-14 (identifying Lawson, Tsutsumitake, Choquier, Bird and Herz as references relied on for invalidity of the '722 Patent) and note 8 on page 13 (incorporating "by reference, in full, the Petition and the Exhibits in IPR2025-00987"); Ex. 2007, 100 (identifying Lawson, Tsutsumitake and Bird as references relied on for invalidity of the '722 Patent).

Moreover, there was nothing prohibiting Petitioners from challenging the validity of all of the claims of the '722 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, the situation is 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 relying on the same art (in the case of American) or substantially the same art (in the case of Southwest) advanced in this IPR, Petitioners’ Invalidity Contentions in the Southwest and American District Court Litigations allege that the ‘722 Patent claims are invalid over the same references in combination with each of the so-called “PointCast System,” the “Castanet System” or the “Active Desktop System” -- which are not patents or printed publications. Ex. 2006, 14 and 76-416 and Ex. 2007, 102 and 209-454. 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 the prior art relied on in these proceedings. Ex. 2006, 76-114, 115-302 and 303-416 (mapping multiple claim elements to one of either the “PointCast System,” the “Castanet System” or the “Active Desktop System” and one or more of Lawson, Tsutsumitake, Choquier, Bird and Herz) and Ex. 2007, Ex. 2007, 209-289, 290-371 and 372-454 (mapping multiple claim elements to one of either the “PointCast System,” the “Castanet

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

System” or the “Active Desktop System” and one or more of Lawson, Tsutsumitake, and Bird).

Petitioners’ strategy is crystal clear. If this IPR is instituted, Petitioners will argue invalidity in the District Courts based on Lawson, Tsutsumitake, Choquier, Bird and/or Herz in combination with the “PointCast System,” the “Castanet System” and/or the “Active Desktop 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 “PointCast System,” the “Castanet System” or the “Active Desktop System” -- is not a patent or printed publication. Nonetheless, because the “PointCast System,” the “Castanet System” and/or the “Active Desktop System” are cumulative of Lawson, Tsutsumitake, Choquier, Bird and/or Herz, 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 integrity.” Petition, 99 (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 12/13/25 and the ‘722 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 12/13/25 and the ‘722 Patent is *not found invalid* by a jury in the Southwest Litigation based on system art. At about the same time (on or about 12/13/26), 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 12/13/25 and the ‘722 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. It is all the more unfair because of Petitioners’ inconsistent positions taken in the two forums. 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 ‘722 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 ‘722 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 99) that "institution will promote judicial *efficiency and integrity*," 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 '722 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. 2006, 36-37 and Ex. 2007, 188-189. Yet, in this IPR, the Petitioners have abandoned those positions in favor of interpretations intended to support invalidity arguments — **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 is deeply unfair to Patent Owner and that wastes the resources of the PTAB. *See*, Section IV, *infra*.

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

G. The Director Should Exercise Her Discretion To Deny Institution Under § 314(a) Because The *Fintiv* Factors Strongly Favor Discretionary Denial in View of Parallel District Court Litigations

Based on the totality of the *Fintiv* factors, the Director should exercise 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 (12/13/2026) in this IPR (if it were instituted) would occur just before or just after the trial in the Southwest District Court Litigation, it is undisputable that there will be significant duplicative efforts by the PTAB and the district courts if this IPR

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.’”)

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 its district court invalidity contentions. Ex. 2006, note 8 on page 13. Any lack of complete overlap in challenged claims is purely a result of Petitioners’ own litigation tactics and cannot be used to 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 99) 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, the

result will be duplicative efforts across multiple 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 exercise discretion and deny institution under *Fintiv*.

IV. 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 ‘722 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. 2006, 36-37 and Ex. 2007, 188-189. Yet, in this IPR, the Petitioners have abandoned those positions in favor of interpretations intended to support invalidity arguments — **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 construction.” Petition, 12 (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 term “gateway device ... configured to identify a category of the update message” in independent claim 14 of the ‘722 Patent is indefinite because “a POSA cannot determine whether a system meets this limitation.” Ex. 2007, 190. Petitioner American Airlines asserts that the same phrase is indefinite in the district court. Ex. 2012, 37. Similarly, in the district court, Petitioner Southwest asserts that “determine a node type to which the identified category maps” in independent claim 14 of the ‘722 Patent is indefinite because “node type” is “vague and undefined.” Ex. 2007, 190. Again, Petitioner American asserts that the same phrase is indefinite in the district court. Ex. 2006, 37. By contrast, in this IPR, Petitioners have no trouble understanding these terms, explicitly stating that they are applying *Phillips* and that the challenged claims are “obvious under any reasonable construction.” Petition, 12. 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 four terms. Ex. 2006, 37 and Ex. 2007, 190.

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.

V. THE NARROW SCOPE AND COMMON FACTUAL BASIS OF THE DISTRICT COURT ACTIONS DISTINGUISH THIS CASE FROM TESLA AND WEIGH IN FAVOR OF DISCRETIONARY DENIAL

The facts here are materially different from the situation in *Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00217, Paper 9, at 2–3, where the Board found that the parallel district court litigation “involves eleven patents spanning nine different families that involve a diverse range of subject matter” and concluded that “the Board [was] better suited to review a large number of patents involving diverse subject matter.” The co-pending district court actions involving American Airlines and Southwest Airlines are far narrower in both the number of asserted technologies and the scope of the accused instrumentalities. Rather than raising a multitude of distinct technological questions, these litigations center on just two clearly defined technology areas: (i) the use by American Airlines and Southwest Airlines of open-source software in core operational systems, including online booking, bag tracking,

and fleet management;⁵ and (ii) the wireless technologies used to support the sale and provision of inflight internet connectivity.⁶ This limited technological scope is in stark contrast to *Tesla*, where the district court was asked to resolve disputes across a wide range of disparate technologies. Here, the district court actions focus on two tightly related technical domains that overlap across both airline defendants.

The open-source software related infringement claims against American Airlines and Southwest Airlines involve each airline's adoption and deployment of open-source components acquired and approved through common internal processes, integrated into shared repositories, compiled using centralized continuous integration and development pipelines, and deployed across the same operational

⁵ Four patents are asserted against American and Southwest Airlines based on their use of open-source software in their core operational systems are the subject of IPRs. In particular, Patent Owner has asserted U.S. Patent No. 8,332,844 (which is the subject of IPR2025-00840 and IPR2025-00931), U.S. Patent No. 8,407,722 (which is the subject of IPR2025-00987), U.S. Patent No. 7,949,785 (which is the subject of IPR2025-00786) and U.S. Patent No. 7,257,582 (which is the subject of IPR2025-00785) against American and Southwest Airlines based on their use of open-source software in their core operational systems. A Request for Discretionary Denial is pending in each of these cases.

⁶ Two patents asserted against American and Southwest airlines based on their provision of inflight internet connectivity are also the subject of IPRs. In particular, Patent Owner has asserted U.S. Patent No. 7,324,469 (which is the subject of IPR2025-00782) and U.S. Patent No. 8,027,326 (which is the subject of IPR2025-01055) against American and Southwest airlines based on their provision of inflight internet connectivity. A Request for Discretionary Denial is pending in each of these cases.

platforms, including web and mobile applications used for booking, bag tracking, and fleet management. The same witnesses, source code repositories, compliance records, and system architectures are relevant to each asserted claim. The infringement claims directed to wireless technologies that provide inflight internet connectivity similarly involve common technologies. Infringement claims in the two subject technology areas are well suited for resolution in the district court. Unlike the PTAB, the district court is equipped to conduct full discovery, compel document production, obtain live witness testimony, and resolve disputes through comprehensive evidentiary proceedings.

Accordingly, while the Director in *Tesla* concluded that institution was appropriate due to the fragmented nature of the patents and technologies at issue, that rationale does not apply here. The present proceedings involve a cohesive set of facts tied to two related technology spaces, and those facts are already being developed in co-pending litigation capable of resolving the entire controversy. Exercising discretion to deny institution under § 314(a) would promote efficiency, conserve resources, and avoid the risk of duplicative and inconsistent adjudications across forums.

VI. CONCLUSION

The Director should exercise her discretion to deny institution because the settled expectations of the parties strongly favor discretionary denial. Petitioners

took no steps to challenge the ‘722 Patent during the 12 years that the patent was in force and waited until after the ‘722 Patent expired to initiate their challenge. The significant length of time that the ‘722 Patent was 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.

In addition, in the district courts, Petitioners have taken the position that key claim terms of the ‘722 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.

Finally, the facts here are materially different from the situation in *Tesla, Inc. v. Intellectual Ventures II LLC*, IPR2025-00217, Paper 9, at 2–3, where the Director found that the parallel district court litigation “involves eleven patents spanning nine different families that involve a diverse range of subject matter.” The co-pending district court actions involving American Airlines and Southwest Airlines focus on

two tightly related technical domains that overlap across both airline defendants.

Accordingly, the rationale of *Tesla* does not apply here.

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

Respectfully submitted,

Dated: August 13, 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 6,859 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: August 13, 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 August 13, 2025 to lead and backup counsel of record for Petitioner as follows:

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