UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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Klein Tools, Inc.
Petitioner,

v.

Milwaukee Electric Tool Corporation,
Keter Home and Garden Products Ltd.,
Patent Owners.

Case IPR2025-01018
U.S. Patent No. 11,952,167

PATENT OWNERS' DISCRETIONARY DENIAL BRIEF FOR *INTER PARTES* REVIEW OF U.S. PATENT NO. 11,952,167

TABLE OF EXHIBITS

Exhibit No.	Description
2001	**RESERVED**
2002	**RESERVED**
2003	Complaint filed in *Milwaukee Electric Tool Corporation and Keter Home and Garden Products Ltd. v. Klein Tools, Inc.*, No. 1-24-cv-04284, Dkt. 1 (N.D. Ill.), dated May 23, 2024
2004	Summons, *Milwaukee Electric Tool Corporation and Keter Home and Garden Products Ltd. v. Klein Tools, Inc.*, No. 1-24-cv-04284, Dkt. 10 (N.D. Ill.), dated May 28, 2024
2005	Guidance on USPTO's Recission of "Interim Procedure for Discretionary Denials in AIA Post-Grant Proceedings with Parallel District Court Litigation," dated March 24, 2025
2006	Notice of Initial Determination on Violation of Section 337, *Certain Storage Containers and Toolboxes, Organizers, Component Boxes, and Coolers*, Inv. No. 337-TA-1409 (U.S.I.T.C.), dated August 1, 2025
2007	Notice of Commission Determination Not to Review an Initial Determination Extending the Target Date for Completion of the Investigation, *Certain Storage Containers and Toolboxes, Organizers, Component Boxes, and Coolers*, Inv. No. 337-TA-1409 (U.S.I.T.C.), dated August 12, 2025

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I. INTRODUCTION

Patent Owners Milwaukee Electric Tool Corporation and Keter Home and Garden Products Ltd. ("Patent Owners") respectfully request that the Board deny institution of the Petition filed by Klein Tools, Inc. ("Petitioner") challenging the patentability of claims 1-16 ("challenged claims") of U.S. Patent No. 11,952,167 ("the '167 Patent").

Discretionary denial is warranted because the '167 Patent's validity has already been litigated by the same parties in a parallel ITC Investigation. In fact, the ITC already issued an Initial Determination on August 1, 2025 with the Chief ALJ finding a violation of Section 337 of the Tariff Act of 1930, as amended, "based on infringement of . . . U.S. Patent No. 11,952,167." EX.-2006 (Notice of ID). The Commission's final determination is expected in less than four months from the filing of this request (target date of December 1, 2025), over a year before a final written decision would issue in this IPR. Ex.-2007.

It should also be noted that Petitioner challenged two other related patents that were also asserted in the same parallel ITC Investigation. These petitions were discretionary denied by Acting Director Coke Morgan Stewart due to the advanced state of the ITC investigation (which is even further along now). *See Klein v. Milwaukee Electric Tool Corporation and Keter Home and Garden Products, Ltd.*, IPR2024-01400, -01401, Paper 22 at 2-3 (PTAB June 9, 2025). In

making her determination, Acting Director Coke Morgan Stewart held that "the ITC investigation is unlikely to be stayed, and the ITC already has conducted a full evidentiary hearing and is scheduled to issue a final determination six months before the statutory deadline for the Board's final written decision. Further, the ITC investigation involves the same parties, the same challenged claims, and includes overlapping prior art references…[t]hus a holistic analysis of all the circumstances demonstrates that the efficiency and integrity of the system are best served denying institution." *Klein v. Milwaukee Electric Tool Corporation and Keter Home and Garden Products, Ltd.*, IPR2024-01400, -01401, Paper 22 at 2-3 (PTAB June 9, 2025).

The facts in this case weigh even more heavily toward denial, as Petitioner waited until much later to file this third IPR Petition—the week of the statutory deadline to file their IPR petition. *See* Ex.-2003 at 1; Ex.-2004 at 2 (Petitioner filed the instant Petition on May 22, 2025, just 6 days before the one year statutory deadline from service of the district court complaint on May 28, 2024).

II. ACTING DIRECTOR'S MEMORANDUM

Pursuant to the Acting Director's March 26, 2025 Memorandum ("Memo"), which outlines "Interim Processes for PTAB Workload Management" including a bifurcated approach for considering discretionary denial, Patent Owner respectfully submits that the Director should deny institution of the instant Petition based on

Fintiv and the additional considerations outlined in the Memo. This filing is made within two months of the Notice of Filing Date dated June 20, 2025 (Paper #3), in accordance with the standard briefing schedule for discretionary denial arguments set forth in the Memo.

The Memo outlines additional relevant considerations for discretionary denial:

- Whether the PTAB or another forum has already adjudicated the validity or patentability of the challenged patent claims;
- Whether there have been changes in the law or new judicial precedent issued since issuance of the claims that may affect patentability;
- The strength of the unpatentability challenge;
- The extent of the petition's reliance on expert testimony;
- Settled expectations of the parties, such as the length of the time the claims have been in force;
- Compelling economic, public health, or national security interests; and
- Any other considerations bearing on the Director's discretion.

As explained more fully below, denial is warranted under 35 U.S.C. § 314(a).

The Director's additional considerations also warrant discretionary denial,

including Petitioner's undue delay in filing this challenge. Thus, discretionary denial in this case is appropriate in light of the Memo's aim to "improve PTAB efficiency, maintain PTAB capacity to conduct AIA proceedings…and promote consistent application of discretionary considerations in the institution of AIA proceedings." Memo at 3.

III. DISCRETIONARY FACTORS FAVOR DENIAL OF INSTITUTION

The Petition should be discretionarily denied. First, given the almost completed parallel ITC Investigation, the Petition should be denied pursuant to 35 U.S.C § 314(a) and the factors set forth in *Apple Inc. v. Fintiv, Inc.,* IPR2020-00019, Paper 11 (P.T.A.B. March 20, 2020). Second, all of the additional factors outlined in the "Interim Processes for PTAB Workload Management," from the March 26, 2025 Memorandum support denial of the Petition.

A. Discretionary Denial Under 35 U.S.C. § 314(a)

The Petition should be denied pursuant to 35 U.S.C. § 314(a) because the factors established in *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 (PTAB March 20, 2020) (precedential), weigh strongly in favor of denial due to the almost completed parallel ITC Investigation: *Milwaukee Electric Tool Corporation et al. v. Klein Tools, Inc.*, 337-TA-1409 (instituted July 15, 2024) ("ITC investigation"). As with the two related petitions that were denied, the balance of the *Fintiv* factors here also favors denial. The ITC investigation's extremely advanced stage is

decisive, as the trial between the ***same*** parties involving this ***same*** patent has concluded, and the ALJ already issued an initial determination on August 1, 2025. The ITC's initial determination occurred well before a final written decision in this matter, which will not be due for over a year (December 20, 2026) and will certainly occur well after a final determination by the Commission. Institution would be inconsistent with the AIA's goal of providing an "effective and efficient alternative" where, as here, the ITC has actively adjudicated validity issues. *NHK Spring Co. v. Intri-Plex Techs., Inc.*, IPR2018-00752, Paper 8, at 20 (PTAB Sept. 12, 2018). As the Acting Director explained in her March 24, 2025 memo, "the Board is more likely to deny institution where the ITC's projected final determination date is earlier than the Board's deadline to issue a final written decision." Ex.-2005 at 2.

B. Facts

Patent Owner asserted the '167 patent against Petitioner in the following cases*: Milwaukee Electric Tool Corporation et al. v. Klein Tools, Inc.*, 337-TA-1409 ("ITC investigation"); and *Milwaukee Electric Tool Corporation et al. v. Klein Tools, Inc.*, 1:24-cv-04928 (N.D. Ill.) ("District Court case") (statutorily stayed pending the ITC Investigation). Patent Owner had previously asserted the '167 patent in *Milwaukee Electric Tool Corporation et al. v. Klein Tools, Inc.*, 1:24-cv-04284 (N.D. Ill.), which was voluntarily dismissed. Petitioner was served

with the complaint in the prior District Court case on May 28, 2024. Ex.-2004.

In the ITC investigation, claims 1-9, 11, 13-16 were originally asserted and validity subsequently challenged by Klein.[1] As part of case narrowing, Patent Owner asserted claims 2, 5, 8, 14, and 15 at the ITC trial. The asserted dependent claims 2, 5, 8, and 14 include the limitations of independent claim 1, while claim 15 is an independent claim. At trial, Klein asserted that claims 2, 5, 14, and 15 are obvious over "The Auer System" in view of Lifshitz, neither of which are at issue in this proceeding; that claim 8 is obvious over "The Auer System" in view of Bensman and Lifshitz; that claims 2, 5, and 15 are obvious over Burchia in view of Lifshitz; that claim 8 is obvious over Burchia in view of Bensman and Lifshitz; and that claim 14 is obvious over Burchia in view of Lifshitz and Lafragette. In other words, in an attempt to have a second bite at the invalidity apple, Petitioner intentionally selected different references in its IPR petition compared to what it used at the ITC. The ITC trial concluded on February 14, 2025, and the Chief ALJ issued the Final Initial Determination on August 1, 2025.

[1] Only dependent claims 10 and 12 did not overlap between the originally asserted claims in the ITC and the challenged claims in this IPR proceeding.

C. *Fintiv* Factors

i. Fintiv Factor 1: Whether the ITC granted, or may grant, a stay if an IPR is instituted

Petitioner has not sought to stay the ITC investigation. In fact, the ITC Investigation is almost complete, with the Final Initial Determination issuing on August 1, 2025 finding a violation of section 337 based on infringement of the Asserted Patents, including the '167 Patent. Ex.-2006. Given this advanced state of the ITC investigation (namely that the ITC trial has concluded and on August 1, 2025, a Final Initial Determination has issued, and a final determination by the Commission will issue months before the Final Written Decision), a stay in the ITC investigation is extremely unlikely. This factor favors denial.

Further, the Director has already held in the previous Director Review of two related petitions against the same ITC investigation that factor 1 "weigh[s] in favor of denial" as "the ITC investigation is unlikely to be stayed." *See Klein*, IPR2024-01400, -01401, Paper 22 at 2. Now, over two months later, given the continued advancement of the investigation, this factor weighs even more strongly in our favor.

ii. Fintiv Factor 2: Proximity of the ITC's trial date to the PTAB's projected statutory deadline for a final written decision.

The ITC trial has concluded, and its initial determination already issued, over four months before the Board's expected institution decision, and over a year

before the Board's final written decision.

Thus, the "status of the ITC proceeding provides a favorable basis for denying the Petition." *See Bio-Rad Lab'ys., Inc. v. 10X Genomics, Inc.*, IPR2019-00568, Paper 22 at 23-24 (P.T.A.B. Aug. 8, 2019) (denying institution where the ITC issued its Initial Determination before institution, highlighting the relevance of "events in other proceeding related to the same patent, either at the Office, in district courts, or the ITC[]" to "the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings").

Like in the *Bio-Rad* case, the "ITC Proceeding involves…the same parties here," Milwaukee Electric Tool Corporation and Klein Tools, Inc. The same independent claim, claim 15, is challenged here. Ex.-2006. The ALJ has also already found a Section 337 violation based on infringement of the Asserted Patents, including the '167 Patent. Thus, the Petition should be denied. This factor favors denial.

Further, the Director has already held in the previous Director Review of two related petitions against the same ITC investigation that this factor weighs in favor of denial as "the ITC…is scheduled to issue a final determination six months before the statutory deadline for the Board's final written decision." *See Klein*, IPR2024-01400, -01401, Paper 22 at 2. Now, over two months later, given the

continued advancement of the investigation, and the eight-month delay in filing the instant Petition when compared to the two related petitions, the gap between the Commission's final determination and the Board's final written decision has only grown larger. Thus, this factor weighs even more strongly in favor of denial.

iii. Fintiv Factor 3: Investment in the ITC proceeding by the court and the parties.

Given the conclusion of the ITC trial, the parties and the Commission, including the ALJ, have already invested heavily in the parallel ITC investigation. Since the ITC investigation was instituted more than a year ago (on July 15, 2024), there has already been considerable litigation activity before the ITC. Petitioner waited until the ITC proceeding was nearly complete to file this Petition, even though it had already filed two related petitions (that were ultimately denied through Director Review) against the other two related Patents asserted in the parallel ITC investigation almost a year earlier, allowing considerable litigation activity to proceed in the interim.

The *Fintiv* analysis requires assessing this investment as of the anticipated Institution Decision date (by December 20, 2025). *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 9-10 (P.T.A.B March 20, 2020) ("Specifically, if, at the time of the institution decision, the district court has issued substantive orders related to the patent at issue in the petition, this factor favors denial"). By that date,

the Investigation will be long complete (Target Date for completion in the ITC is December 1, 2025). Accordingly, this factor also favors denial.

Further, the Director has already held in the previous Director Review of two related petitions against the same ITC investigation that this factor weighs in favor of denial as "the ITC already has conducted a full evidentiary hearing." *See Klein*, IPR2024-01400, -01401, Paper 22 at 2. Now, over two months later, given the continued advancement of the investigation and the ALJ's issuance of the Final Initial Determination, the investment into the ITC proceeding by both parties and the Commission has only grown larger. Thus, this factor weighs even more strongly in favor of denial.

iv. *Fintiv* Factor 4: Overlap between issues at the ITC and in the Petition.

Despite only a subset of the claims ultimately being tried at the ITC, the Petitioner is clearly using this IPR as a second attempt to invalidate the patent. Notably, three references (Burchia, Bensman, and Lafragette) from the ITC investigation reappear in this proceeding. Further, the four dependent claims asserted at the ITC trial included all of the limitations of independent claim 1, challenged here, and the independent claim 15 asserted at the ITC trial has a dependent claim 16 which includes all of claim 15's limitations, also challenged here. Moreover, given the timing of the two proceedings, if the ITC determination

is appealed, the Federal Circuit may issue its opinion before a final written decision in this case, and certainly before the Federal Circuit issues any opinion on an appeal of a Final Written Decision in this proceeding. As such, the ITC Investigation and any corresponding Federal Circuit opinion will already address many of the limitations of the claims challenged here.

Petitioner's failure to provide a *Sotera* stipulation also weighs heavily against institution. As the Board recognized in *Sotera*, such stipulations mitigate concerns regarding potentially conflicting decisions and duplicative efforts between the PTAB and any parallel proceedings. *See Sotera Wireless, Inc. v. Masimo Corp.*, IPR2020-01019, Paper 12 at 18-19 (P.T.A.B. Dec. 1, 2020). In fact, not only has Petitioner not provided a *Sotera* stipulation, but Petitioner is pursuing invalidity defenses using significantly overlapping prior art between the PTAB and ITC proceedings. This is even more concerning in view of the impending conclusion of the ITC Investigation and Petitioner's clear attempt to use this forum to seek an impermissible second bite at the apple. This frustrates the objectives of efficiency and of maintaining IPRs as a cost-effective alternative to litigation.

Thus, given that the Petition is directed toward the same patent, encompasses the same claim limitations at issue in the parallel ITC Investigation, and involves overlapping prior art and arguments, and since Petitioner has not mitigated any of these concerns regarding duplicative efforts or potentially

conflicting decisions via a *Sotera* stipulation, this factor strongly favors denial.

Further, the Director has already held in the previous Director Review of two related petitions against the same ITC investigation that factor 4 "weigh[s] in favor of denial" as "the ITC investigation involves the same parties, the same challenged claims, and includes overlapping prior art references." *See Klein*, IPR2024-01400, -01401, Paper 22 at 2-3. As the instant petition also has the same overlapping prior art references (i.e., Burchia, Bensman, and Lafragette) and significantly overlapping challenged claims, this factor still weighs strongly in favor of denial.

v. *Fintiv Factor 5: Whether the Petitioner and the Defendant in the ITC are the same party.*

The parties in the ITC case are the same, thus favoring denial.

vi. *Fintiv Factor 6: Other circumstances that impact the PTAB's exercise of discretion: Efficiency, Economy, Integrity, and the merits favor Discretionary Denial*

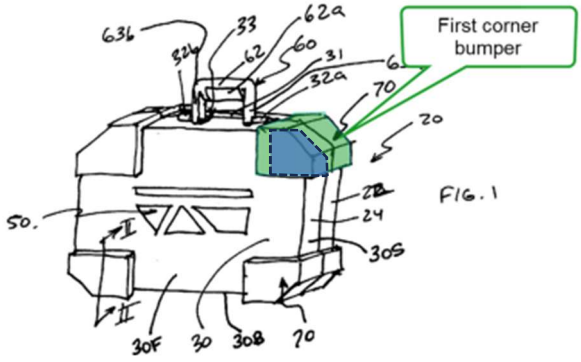
a. *Petitioner has not explained the delay in filing this IPR petition*

On September 17, 2024, Petitioner filed IPR petitions relating to two other patents in the same patent family, namely IPR2024-01400 and IPR2024-01401. The Acting Director denied institution of these IPRs. Petitioner had every opportunity to file the present Petition at the same time, or in closer proximity, to those related petitions. Instead, Petitioner waited approximately eight months, until

just days before the statutory deadline, to file this Petition for the challenged patent—timing its filing when the ITC proceeding was nearing completion. *See* Ex.-2004. This belated filing wastes the resources of both the PTAB and the Patent Owner by requiring them to re-litigate the same issues multiple times. Such gamesmanship strongly supports denial.

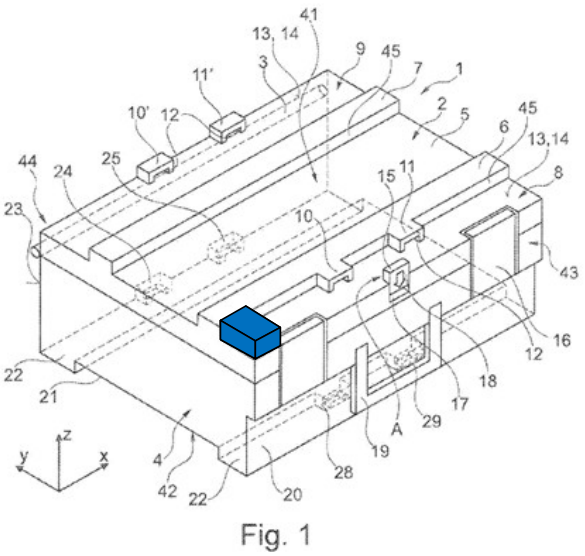
b. *Petitioner's Unpatentability Challenge is Weak*

The substance of the challenges in the Petition are weak. Although Patent Owners intend to brief the issue in detail in their Preliminary Response, as one example, the Petitioner fails to point out how it would have been obvious to combine the primary references, Burchia and Metabowerke, with the Welsh reference. Rather, Petitioner quotes the prosecution history of the patent, noting that the Examiner stated that combining a **different reference** (**Madsen**) with **Welsh's** corner bumpers would "cushion an impact load exerted on the case if the case is dropped on a hard surface." Pet. at 25 (citing Ex. 1002 at 156, ¶ 13). Petitioner thus provides no rationale explaining ***why*** a POSITA would combine **Burchia and/or Metabowerke with Welsh**, nor ***how*** they would be combined. Petitioner has therefore failed to provide the requisite analysis necessary to demonstrate obviousness in combining Burchia and/or Metabowerke with Welsh. Welsh's corner bumpers are further fundamentally incompatible with the teachings of Burchia. Consider Welsh's Figure 1 and Burchia's Figure 1, reproduced below:



Pet. at 26 (showing Welsh Figure 1)

(blue annotation added)

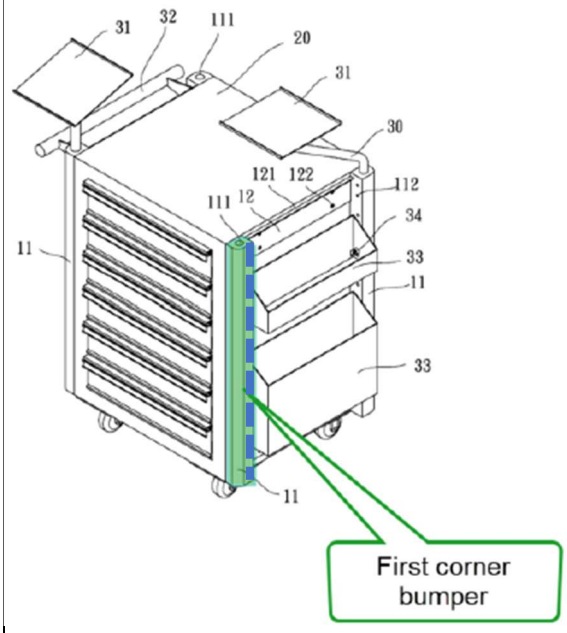


Ex.-1004 (Burchia) at Figure 1 (blue annotation added)

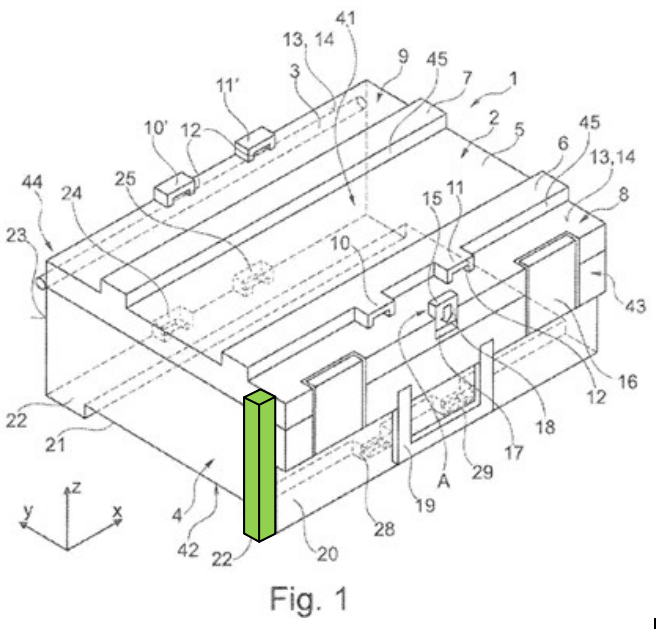
Welsh's corner bumpers cover the top face of the case (i.e., side 30F), as highlighted in blue in the above figure. If the same top face were covered in Burchia, as added in blue in the above Burchia figure, the stacking cases would sit proud of one another, thereby preventing Burchia's locking mechanism from working, preventing the cases from mating with one another, and making the modified Burchia no longer being suitable for its intended purpose.

Petitioner then relies on Chen in the alternative to provide the corner bumpers limitation. See images below. However, once again Petitioner fails to articulate *how* the proposed combination of the two primary references, Burchia and Metabowerke, would be modified in light of Chen, only saying that "A POSITA would have reasonably expected success given the straightforward

mechanical technology and predictable protective effect of the bumpers." Pet. at 27. Once again, Petitioner fails to provide the requisite analysis needed to establish obviousness in combining Burchia and/or Metabowerke with Chen. Given that Chen's so-called bumpers are straight and sit flush against one side of the cart, they are not the required corner bumpers at all. Given that Burchia's "stop surface 20" is "offset toward the rear in the Y direction" and thus Burchia's case does not have a straight corner that extends all the way down the case like Chen, as shown by the blue dotted annotation below on Chen's Figure 1, it is not clear ***how*** Chen's bumpers could be applied to the non-straight, side profile of the Burchia case, or how it would be the claimed ***corner*** bumper at all.



Pet. at 27 (showing Chen Figure 1) (blue annotation added)



Ex.-1004 (Burchia) at Figure 1 (green annotation added)

As stated above, Chen's bumpers are not "**corner** bumpers" as they only cover one side of the cart, as opposed to a corner, i.e., at least two intersecting sides. Thus, Chen does not teach the requisite limitation as recited by the claims of the '167 Patent.

The foregoing is but one example of the Petition's substantive deficiencies. Because it is riddled with similarly weak challenges and grounds, the Petition should be denied on this basis as well.

Further, the Director has already held in the previous Director Review of two related petitions against the same ITC investigation that "[w]ith respect to factor 6, under *Fintiv*'s holistic assessment, the merits of the Petitions do not outweigh the other factors, which all favor denial." *See Klein*, IPR2024-01400, -01401, Paper 22 at 3. Now, given the ITC has advanced considerably further while the merits of the petition remain much unchanged (the instant Petition relying on the exact same prior art references as the two related petitions), the balance of factors tilts even more strongly in favor of denial.

D. Additional Relevant Considerations Outlined in the March 26, 2025 Memo

i. *Petitioner's Extensive Reliance on Expert Testimony Favors Denial*

In the absence of compelling prior art, Petitioner relies heavily on the declaration of their expert, Dr. John M. Collins. The declaration itself is 143 pages

long, and the Petition cites to it approximately *105* times. *See generally* Petition. Yet, Dr. Collins' declaration adds little, if any, value as it includes conclusory statements, unsubstantiated arguments, and mostly repeats or rewords the Petition. *See, e.g.*, Ex.-1003 at ¶¶ 72-73 ("As shown in the annotated figure below, Welsh discloses a first corner bumper extending outward from a first corner between a front face and a side face. **Thus, it would have been obvious to a POSITA to combine Burchia with Welsh**.") Such conclusory and unsupported analysis is not helpful to the trier of fact, and Petitioner's heavy reliance on Dr. Collins' opinion is another reason that this Petition should be denied.

E. Conclusion

Each of the *Fintiv* factors therefore weighs in favor of denial. As the Board has recognized, "Institution of an inter partes review under these circumstances would not be consistent with 'an objective of the AIA…to provide an effective and efficient alternative to district court litigation [or in this case an ITC Investigation].'" *NHK Spring Co. v. Intri-Plex Techs, Inc.*, IPR2018-00752, Paper 8 (P.T.A.B. Sept. 12, 2018) (precedential) (citing *Gen. Plastic Indus. Co., Ltd. v. Canon Kabushuki Kaisha*, IPR2016-01357, Paper 19, 16–17 (PTAB Sept. 6, 2017) (precedential in relevant part)). Accordingly, "efficiency, fairness, and the merits support the exercise of authority to deny institution." *Fintiv* at 8.

Dated: August 20, 2025

Respectfully Submitted,

/ Dion M. Bregman /

Dion M. Bregman, Reg. No. 45,645

CERTIFICATION OF LENGTH (37 C.F.R. § 42.24(D)

The undersigned hereby certifies that this document is limited to 14,000 words and thus complies with the applicable word limit.

Dated: August 20, 2025

Respectfully Submitted,

/ Dion M. Bregman /
Dion M. Bregman, Reg. No. 45,645

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6(e)(4), lead counsel for Patent Owners hereby certifies that on August 20, 2025 a copy of this Patent Owner's Discretionary Denial Brief was served to the email correspondence address of record for Petitioner's counsel of record:

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Dated: August 20, 2025

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