

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Klein Tools, Inc.
Petitioner

v.

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

IPR2025-01018
Patent 11,952,167

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

I. INTRODUCTION

Petitioner recognizes the Acting Director's recent exercise of discretion to deny institution in related IPR proceedings. *Klein Tools, Inc. v. Milwaukee Electric Tool Corporation and Keter Home and Garden Products, Ltd.*, IPR2024-01400, -01401, Paper 22 at 2-3 (PTAB June 9, 2025).

Respectfully, denial was not appropriate in the preceding cases and is not appropriate here. Specifically, (1) there is not complete overlap between the prior art—Petition relies on Metabowerke, a primary reference not at issue in the ITC, and (2) the ITC proceeding addressed the validity of only five claims; the IPR challenges all sixteen claims. Moreover, unlike the related IPR proceedings, Patent Owner has not statutorily disclaimed the eleven non-asserted claims—so there is even less overlap between the proceedings.

II. THE ITC PROCEEDING WILL NOT FULLY RESOLVE VALIDITY

It is well-settled that ITC determinations do not have preclusive effect in subsequent validity challenges in other forums. *See Texas Instruments Inc. v. Cypress Semiconductor Corp.*, 90 F.3d 1558, 1569 (Fed. Cir. 1996). More importantly, here, the ITC investigation will not address validity of the challenged claims in view of key prior art raised in the Petition. Notably, Petitioner's invalidity case before the ITC relied on two grounds: (1) the Auer System in view of Bensman and Lifshitz, and (2) Burchia in view of Bensman, Lifshitz and Lafragette. Neither

ground is presented here. And every ground in the Petition relies on Metabowerke, which was not presented at the ITC hearing. The Petition also challenges claims 1-16, whereas the ITC trial only addressed claims 2, 5, 8, 14, and 15.

III. FINTIV FACTORS DO NOT SUPPORT DISCRETIONARY DENIAL

Proper application of *Fintiv* demonstrates institution is appropriate.

Factor 1 – Likelihood of a Stay in the ITC. Patent Owners' district court action is stayed pending the ITC investigation, which weighs against denial. *See* IPR2020-00502, Paper 34 at 10. No stay has been requested in the ITC. Patent Owners argue, and the Acting Director held, that this means the factor favors denial. Petitioner respectfully notes that in *POSCO Co. v. ArcelorMittal*, IPR2024-01376, Paper 11 at 11-17 (PTAB Mar. 18, 2025) (decided prior to the Acting Director's decision in the related IPR proceedings), the Board addressed the same procedural posture and found the factor neutral and that it elevates the importance of factor four (which strongly favors institution). *Id.* at 13. Petitioner respectfully maintains that this factor either favors institution or is neutral and elevates the importance of factor four, which strongly favors institution.

Factor 2 – Proximity of the ITC trial date to the PTAB's Written Decision.

The ITC's target date is December 1, 2025, well before the PTAB's Final Written Decision. While the ITC's decision will issue first, this does not diminish the Board's statutory role in reviewing patentability, which has long-term effects,

including on future district court litigation and licensing. Moreover, in the context of parallel district court proceedings, the Board has frequently instituted IPR proceedings with a six month or longer difference. *See, e.g.*, IPR2024-01167, Paper 14 (six months); IPR2024-00137, Paper 15 (eight months). This factor marginally favors discretionary denial but is not dispositive.

Factor 3 – Investment in the ITC Proceeding. The parties have invested substantial resources in both proceedings—with Petitioner diligently preparing and promptly filing the instant Petition within the statutory period, about four months after the recently-issued patent became eligible for review. In *POSCO*, the Board noted the diligence as mitigating investment in the ITC. *POSCO*, Paper 11 at 15. This factor only marginally favors denial, as it is mitigated by Petitioner's diligence.

Factor 4 – Overlap of Issues Between the ITC and IPR. Per pre-June 2022 memo cases, this factor weighs strongly against denial because Petitioner in the ITC relied on two grounds that are not presented here, one of which relies on system art. *POSCO*, Paper 11 at 15; IPR2020-01094, Paper 9 at 21-23. Moreover, all grounds of the Petition rely on a reference that is not a part of the ITC grounds, Metabowerke, including as the primary reference across numerous grounds. The difference in the scope of challenged claims also weighs against denial—the ITC proceeding seeks to invalidate only five claims, while the IPR challenges all 16 claims. IPR2020-00502, Paper 34 at 12; IPR2020-00223, Paper 12 at 34. Accordingly, the ITC will not reach

key issues presented in the instant proceedings. Petitioner respectfully maintains that this factor strongly favors institution.

Patent Owners fault Petitioner for not providing a *Sotera* stipulation; but fail to note that before the rescission of the June 2022 memo, IPRs were not being discretionary denied based on parallel ITC proceedings; and by the time of the rescission on February 28, 2025, it was too late for a *Sotera* stipulation, as the ITC hearing had already concluded on February 14, 2025.

Patent Owners also contend that Petitioner is seeking “two bites at the invalidity apple.” This is not true. At the time of filing the related petitions, it was well-settled that petitions were not being discretionary denied based on parallel ITC proceedings, because ITC determinations did not (and do not) have preclusive effect in subsequent validity challenges in other forums. Petitioner should not be faulted for a change in USPTO policy.

Factor 5 – Whether the Parties Are the Same. The parties are the same, which slightly favors denial.

Factor 6 – Other Considerations, Including the Merits. The March memo states that “the strength of the merits” is considered in the exercise of discretion. The Petition presents strong merits for invalidity based on *Metabowerke*, which was not meaningfully considered during prosecution, alone nor in combination with *Burchia* and other references. Indeed, the Board found the related petitions to present

“particularly strong” grounds for invalidity. Similarly, here, Patent Owners’ non-obviousness argument turns on whether Metabowerke’s stackable toolboxes have two “sidewalls” or only one in its female coupler; with the Board already indicating in the related petitions that Petitioner made a sufficient showing that Metabowerke discloses the “two sidewalls” limitation in dispute between the parties. Petitioner respectfully maintains that this factor strongly favors institution.

Patent Owners contend that “corner bumpers” on their stackable toolboxes are somehow novel. But corner bumpers were well known in the art (e.g., Welsh, Chen, etc.), as the Examiner found during prosecution. The ’167 patent, like its related predecessors, purports to be directed to a novel coupling mechanism (which is not actually novel nor non-obvious in view of Metabowerke and/or Burchia). The “corner bumpers” are merely an add-on feature that was known in the prior art.

Patent Owners fault Petitioner for not filing the instant Petition at the same time as the related petitions, but they fail to mention that the ’167 patent only issued April 9, 2024—meaning that Petitioner could not have filed the instant Petition at the time of the related petitions, but had to wait 9 months before the patent was even eligible for review (January 9, 2025). Then, with respect for the Board’s and parties’ time and resources, Petitioner awaited the Board’s decision on institution of the related proceedings (April 8, 2025), and promptly and timely filing the instant Petition (May 22, 2025) within the statutorily prescribed period.

IV. ADDITIONAL CONSIDERATIONS SUPPORT INSTITUTION

A. LACK OF SETTLED EXPECTATIONS

The '167 patent only recently issued on April 9, 2024. In other recent decisions, the Acting Director has held that where “the challenged patent[]...issued in 2021” (and even earlier in 2020 or 2019), the IPR is an “early challenge[] [that] favor[s] robust, predictable patent rights and weigh[s] against discretionary denial.” *Microsoft Corp. v. Edge Networking Sys., LLC*, IPR2025-00617, Paper 12 (July 31, 2025); *see also, e.g.*, IPR2025-00619, Paper 12 (July 31, 2025); *CSPC Megalith Biopharma. Co. v. Shanghai Miracogen Inc.*, IPR2025-00685, Paper 9 (July 31, 2025); *TankLogix, LLC v. SitePro, Inc.*, IPR2025-00650, IPR2025-00651, Paper 10 (July 31, 2025). In *Zhuhai CosMX Battery Co. v. Ningde Amperex Tech. Ltd.*, the Acting Director held that because “the challenged patents have not been in force for a significant period of time (issued in 2024, 2023, and 2021),” this “tip[s] the balance against discretionary denial” despite it being “unlikely that a final written decision...will issue before district court trial occurs.” IPR2025-00385, - 00389, - 00432, Paper 9 (July 2, 2025); IPR2025-00405, Paper 11 (July 2, 2025); IPR2025-00431, Paper 14 (July 2, 2025).

B. THE PETITION'S COMPELLING MERITS ARE FULLY SUPPORTED BY EXPERT TESTIMONY

In the related proceedings, the Board rejected Patent Owners' argument that Dr. Collins' declaration "adds little, if any, value" and "mostly repeats or rewords the Petition." (PO Br., 18-19); *cf.*, IPR2024-01400, Paper 17 at 52; IPR2024-01401, Paper 16 at 56 ("We disagree with Patent Owner's view that Dr. Collins merely repeats verbatim conclusory assertions from the Petition. As one example, Dr. Collins's discussion of limitation 1c in the context of this asserted ground provides additional relevant information, including the understanding of one of ordinary skill in the art as to the term "depressed"—"offset by a vertical distance downward in the direction generally perpendicular to a reference surface"—to further explain *why* Burchia allegedly discloses a "depressed surface."")

The Board found the merits of the invalidity arguments "particularly strong," crediting and citing Dr. Collins opinions in support thereof. IPR2024-01400, Paper 17 at 19, 49; IPR2024-01401, Paper 16 at 20, 53-54 ("Petitioner adequately explains the reasons to combine Burchia and Metabowerke, which is supported by the Collins Declaration. In contrast, Patent Owner relies on attorney argument as to the Petitions' alleged failings."). The invalidity case here is similarly compelling and well supported by the prior art, including Metabowerke and Burchia, and the opinions of Dr. Collins.

C. FAIRNESS CONCERNS

Mandamus petitions pending before the Federal Circuit highlight fairness concerns with recent changes in *Fintiv* practice. Petitioner will not belabor this point, but merely notes to preserve its rights that it filed the related petitions and the instant Petition in good faith under then existing law and USPTO guidance. This is simply not a case involving gamesmanship, second bites at the apple, or any other unwarranted aspersions from Patent Owners.

D. GUIDANCE LANGUAGE IS NON-DISPOSITIVE AND HOLISTIC

The Guidance speaks in terms of the Board being “more likely” to deny when the ITC finishes first but requires a holistic efficiency assessment. Ex. 2005 at 1-2.

E. THE ITC'S ROLE DOES NOT ELIMINATE THE NEED FOR PTAB REVIEW

The ITC cannot cancel claims and does not resolve patentability for the public at large. A PTAB FWD does. Terminated claims and distinct grounds reinforce the need for PTAB review.

V. CONCLUSION

For the foregoing reasons, the Board should deny Patent Owners' request for discretionary denial and institute *inter partes* review.

Petitioner's Opposition to Discretionary Denial Brief

Date: September 22, 2025

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CERTIFICATE 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.

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CERTIFICATE OF SERVICE (37 C.F.R. §§ 42.6(E), 42.105(A))

The undersigned hereby certifies that on September 22, 2025 this Petition's Opposition to Patent Owners' Discretionary Denial Brief was served on counsel of record at Patent Owner's consented to e-mail service address below, understood to include at least lead counsel Dion M. Bregman, and back-up counsel Jason C. White, Scott D. Sherwin, and David P. Bernstein, Ph.D.:

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