

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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ALBANY INTERNATIONAL CORP.,

Petitioner

v.

VOITH PATENT GMBH,

Patent Owner.

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Case No. IPR2025-01367  
U.S. PATENT NO. 9,982,388

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

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**I. INTRODUCTION**

Pursuant to the March 26, 2025 Memorandum by the Director that addresses “Interim Processes for PTAB Workload Management” (Director Memo), Patent Owner respectfully requests the Director exercise discretionary denial of institution of the Petition for *inter partes* review (“Petition”), filed by Albany International Corp., (“Petitioner”), challenging claims 1-15 (“Challenged Claims”) of U.S. Patent No. 9,982,388 (the “’388 Patent”) (EX1001). As explained below, the Director should exercise discretion to deny institution under 35 U.S.C. § 314 and § 325(d) and the *Advanced Bionics* factors because (i) the Patent Office (“Office”) has already adjudicated the validity of the patent during prosecution using the same or substantially cumulative art presented in the Petition, (ii) the weakness of the unpatentability challenge due to the Petition failing to identify, with particularity, the grounds on which the claims are challenged, (iii) the lack of properly articulated reasoning as to why a person of ordinary skill in the art (“POSITA”) would have modified the primary references, (iv) the settled expectations of the parties, and (v) compelling public policy.

**II. DISCRETIONARY DENIAL UNDER 35 U.S.C. § 325(d) IS APPROPRIATE**

The Board should deny institution under 35 U.S.C. § 325(d) because a) Petitioner relies solely on art and arguments that were either presented to the Office during the prosecution of claims Challenged Claims or are substantially the

same as art and arguments cited and considered by the Office, and also because b) Petitioner has **not** met its burden to demonstrate material error by the Office. *See, e.g., Advanced Bionics, LLC v. Med-El Elektromedizinische Geräte GMBH*, IPR2019-01469, Paper 6, 8 (PTAB Feb. 13, 2020).

The two-prong test of *Advanced Bionics* sets forth a clear framework under which the Board evaluates “(1) whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office; and (2) if either condition of first part of the framework is satisfied, whether the petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims.” *Id.* If the first part of this framework is satisfied and “the petitioner fails to make a showing of material error, the Director generally will exercise discretion not to institute *inter partes* review.” *Id.* at 8-9. This inquiry is often guided by the non-exclusive factors set forth in *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 (Dec. 15, 2017), which address (1) the similarities and material differences between the asserted art and the prior art applied during examination; (2) the cumulative nature of the asserted art and the prior art evaluated during examination; (3) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection; (4) the extent of the overlap between the arguments made during

examination and the manner in which petitioner relies on the prior art; (5) whether petitioner has pointed out sufficiently how the examiner erred in its evaluation of the asserted prior art; and (6) the extent to which additional evidence and facts presented in the petition warrant reconsideration of the prior art or arguments. *See Becton, Dickson*, Paper 8 at 17–18.

**A. Petition Relies on Same or Substantially Same and Cumulative Art**

The record evidence in the instant case demonstrates that all three grounds of Petitioner's challenges rely on references (*e.g.*, *Hawes 402* (EX1018) and *Crook* (EX1005)) that were either cited and substantially considered during prosecution or are substantially cumulative of the referenced cited during prosecution.

The application that issued as the '388 Patent was filed on August 13, 2015. After nearly three years of careful and thorough prosecution that included two substantive Office Actions and two rounds of arguments and claim amendments, the Office granted the '388 Patent on May 29, 2018. During that lengthy prosecution, the Examiner cited and substantially applied *Crook, Lee* (EX1015), *Hawes 402*, *Legge* (US 4,781,967), *Sudre* (EX1014), as well as Danish publication by *McGill* (EX1012). It is relevant to note that the Patent owner overcame §102 claim rejections over *Crook*, *McGill*, and *Sudre*. In rejecting the claims in view of *Sudre*, the Examiner asserted that in *Sudre* “nonwoven sheet plies (25) in the form

of textile batt are attached to each outside face of the fabric.” EX1002 at 60, second full paragraph (citing *Sudre* at Figure 5, page 3, lines 9-11, and page 5, lines 8-18). Similarly, with respect to *Crook*, the Examiner argued that “[a] nonwoven sheet ply in the form of a fibrous batt layer (10) may be attached to the outside of the fabric.” EX1002 at 60, second full paragraph (citing *Crook* at Figure 5 and paragraph [0047]). In response, Patent Owner amended the claims and argued that *Sudre* only discloses a non-woven batt and does not disclose that some or all the sheet plies consist of or comprise a woven material or a non-woven component “selected from the group consisting of a polymer film, a foam layer, a knitted structure and a warp-knit structure.” EX1002 at 48. Patent Owner further elaborated that the materials specified in the Markush group:

“differ in the essential concept that batt layers are attached to a woven base structure by needle punching. The non-woven ply materials of the Markush group do not share that property.”

EX1002 at 48. Still further, Patent Owner explained:

“Similarly to a woven sheet-ply, special care must be taken in order to secure these sheet plies to the woven base. One possible option is to add one or more layers of batt material to the fabric. See, para. [0037] and claim 19. In that special case, the needle punching will not only attach the batt, but it will also attach the sheet-ply to the woven base. A second option is to stitch the sheet plies to the woven base. See, para. [0035] and claim 16.”

EX1002 at 48. Patent Owner similarly argued against *Crook* by citing to page 2, ¶ [0048] of *Crook* and argued that *Crook* “does not disclose a woven ply on the outside. Only batt layers are considered for placement on the outside of the belt.”

EX1002 at 49. In response, the Examiner once again rejected the claims but found dependent claim 14, which recited (*inter alia*) “wherein all of said sheet plies are disposed outside said folded layers,” to include allowable subject matter. EX1002 at 38, 51. Patent Owner obtained allowance by amending claim 1 to include the subject matter of claim 14. EX1002 at 29, 10.

Now, in its attempt to rehash prosecution and second-guess the Examiner's detailed examination, the Petition purports to raise several new references. However, Petitioner's so-called new references do nothing but repackage prior art already considered by the Office as a new challenge.

For example, in Ground 1, Petitioner combines *Ryan* (EX1007) and *Yook* (EX1006)) to form its first allegation of obviousness. Petition at 17. Throughout the Petition, Petitioner attempts to bolster its arguments by drawing parallels between *Ryan*, *Yook*, and various other prior art references. For example, Petitioner discusses the folded structure of *Ryan* and admits that *Ryan*'s configuration was known in the art and discussed in numerous references such as *Hawes 402* (EX1018) and *Crook* (EX1005), which were both considered by the Examiner. Petition at 62-63. Similarly, Petitioner admits that *Yook*, similar to *Crook*, describes that multiple laminated base fabrics can be attached to one another by needling. *Id.* at 89. These admissions amount to a concession by Petitioner that its Ground 1 references, *Ryan* and *Yook* are merely cumulative of *Crook*. *Crook* was

cited and extensively discussed during prosecution. *See, e.g.*, EX1002 at 60.

Petitioner goes even further, expressly acknowledging that *Crook* is superior to its own references. For example, in support of its Ground 2 arguments, which are based on a combination of *Hawes* (Ex. 1004) and *Crook*, Petitioner discusses *Yook* '176 (Ex. 1016), which notably contains a substantially similar disclosure to *Yook*. *See*, Petition at 51-53. Petitioner concedes that *Yook* '176 and *Hawes* disclose substantially similar fabrics, even identifying *Yook* '176 as the “source” of the fabric disclosed in *Hawes*. *Id.* at 78. Petitioner then directly compares the fabrics of *Crook*, *Hawes*, and *Yook* '176, admitting that both *Hawes* and *Yook* '176 lack “terminal ends,” whereas “*Crook*’s fabric, like the '388 patent’s, has terminal ends.” *Id.* at 61 (emphasis in original). Crucially, Petitioner further admits that “[t]he structures [of *Hawes* and *Crook*] are otherwise identical to one another with respect to key fabric characteristics.” *Id.* Taken together, these admissions confirm that *Hawes* and *Yook* '176 are merely cumulative of *Crook*, and that *Crook* is a superior reference. *Crook*, however, was already cited and thoroughly examined during prosecution of the '388 Patent. *See, e.g.*, EX1002 at 60. Therefore, Petitioner’s reliance on *Hawes* and *Yook* '176, references it admits are not only cumulative of *Crook* but also less complete, fails to raise any new or materially different issues that would warrant instituting reexamination.

Ground 3 relies on a combination of *Hawes* and *Zehle* (EX1020). Petition at

88-89. However, Petitioner has already conceded that *Hawes* is inferior to *Crook*, which was fully examined during prosecution. *Id.* at 61. Moreover, Petitioner expressly acknowledges that *Zehle* and *Crook* disclose the same structure, effectively equating the two to the extent that Petitioner and Dr. Pastore fail to present any substantive arguments based on *Zehle* itself and instead rely solely on arguments involving the combination of *Crook* and *Hawes*. *Id.* 89-90, EX1003 ¶274. This omission further underscores the fact that Ground 3 is not a new or distinct challenge, but merely a repackaging of prior art that is the same, similar, “substitutable,” and cumulative of the references applied by the Examiner and overcome by the Patent Owner during original prosecution. EX1003, ¶184. The fact that now, almost seven and a half (7.5) years after the '388 Patent granted, Petitioner has been able to find and cite other references that disclose same or similar information taught in the references cited and applied by the Examiner – and overcome during prosecution – does not render the claims any less valid. The documents cited in the Petition are inferior and cumulative of the references presented during prosecution, and the Petitioner has not shown otherwise.

Therefore, the Petition fails to meet prong 1 of *Advanced Bionics* and should be denied at least because Petitioner has failed to assert any new issue of patentability to warrant wasting time and resources of the Board and Patent Owner to initiate a new proceeding to ultimately arrive at the same conclusion that the

Examiner reached over seven and a half (7.5) years ago.

**B. Petitioner Has Failed to Identify Any Error by the Examiner**

In addition to applying the same or substantially same references as those applied during prosecution, Petitioner cannot meet its burden under the second prong of the *Advanced Bionics* to demonstrate that the Office erred in a manner material to patentability in allowing the Challenged Claims. Under *Becton Dickinson*, the Board looks to:

- (c) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection; . . .
- (e) whether petitioner has pointed out sufficiently how the examiner erred in its evaluation of the asserted prior art; and (f) the extent to which additional evidence and facts presented in the petition warrant reconsideration of the prior art or arguments.

*Becton, Dickinson*, IPR2017-01586, Paper 8 at 17-18.

Petitioner cannot show any material error by the Examiner, who thoroughly evaluated the application that issued as the '388 Patent, presented various rejections including rejections based on *Crook*, a reference Petitioner itself admits is superior to the ones it now relies on. The Examiner issued fully articulated rejections, grounded in similar reasoning to that now advanced by Petitioner, and those rejections were fully addressed and overcome by Patent Owner during prosecution.

To show material error, a petitioner must go beyond mere repetition of cumulative arguments addressed during prosecution and explain why the

examiner's analysis was incorrect or incomplete. Here, however, Petitioner merely recycles the same or inferior prior art, applies a similar line of reasoning, and presents arguments that closely mirror those already extended and addressed by the Examiner. Petitioner offers no explanation as to where or how the Examiner erred, fails to identify any mistake in the Examiner's interpretation or application of the prior art, any omission of key teachings, any misapprehension of claim scope, or any improper application of the law that would materially affect patentability. Nor does Petitioner point to any reliance by the Examiner on materially false or incomplete statements, or any unexplained deviation in the Examiner's positions. In short, Petitioner has failed to articulate any basis for finding material error, as required under § 325(d).

For example, in Ground 1, Petitioner's primary argument rests on the assertion that a POSITA could have arrived at the claimed structure by attaching the exterior fabric of *Yook* to *Ryan*'s base fabric. *See, e.g.*, Petition at 23. However, this precise line of reasoning was already considered and expressly articulated by the Examiner during prosecution: in the Final Office Action mailed October 11, 2017, the Examiner relied on *Crook* to assert that "a nonwoven sheet ply in the form of a fibrous batt layer (10) may be attached to the outside of the fabric." EX1002 at 36. Patent Owner directly addressed and overcame this rejection during prosecution. *Id.* 28. Because Petitioner has already admitted that *Crook* and *Yook*

disclose the same feature - that multiple laminated base fabrics may be joined together by needling - Ground 1 arguments do not reveal any oversight or material error by the Examiner. *See, e.g.*, Petition at 98. Rather, they reaffirm that the Examiner correctly understood and applied the relevant prior art during prosecution.

In Ground 2, Petitioner relies on a combination of *Hawes* and *Crook*, asserting that although *Hawes* does not disclose “terminal ends separated in the machine direction,” *Crook* does and alleges that the combination of *Hawes* and *Crook* renders the claims obvious. However, *Crook* was already cited and fully considered during prosecution. If, as Petitioner now alleges, *Crook* teaches every limitation of claim 1, then there should be no need to bring in *Hawes*, doing so serves no purpose other than to dress up an already-considered reference in the guise of a new combination. This tactic does not establish error by the Examiner; it merely repackages what was already examined and overcome.

In fact, rather than identifying any error in the Examiner's assessment, Petitioner's arguments confirm the Examiner's reasoning. The Examiner was fully aware of *Crook*, considered it in detail, and ultimately allowed the claims after Patent Owner submitted amendments and arguments distinguishing *Crook*. EX1002 at 28-40. Petitioner's attempt to revisit *Crook*, without identifying any deficiency in the Examiner's analysis or presenting any new or previously

overlooked rationale falls well short of what is required under 35 U.S.C. § 311(b). As the Board has made clear in *Becton, Dickinson*, IPR is not a forum to relitigate issues already resolved during prosecution, absent some material new teaching or reasoning. *See Becton, Dickinson*, IPR2017-01586, Paper 8 at 17.

Here, Petitioner does not allege that Crook was unavailable to the Examiner, nor does it present any meaningful new analysis of the proposed combination. On the contrary, Petitioner relies on *Crook* for the exact same features the Examiner already considered, effectively conceding that the Examiner got it right. Simply adding *Hawes* to the mix does nothing to change that analysis and instead confirms that the Petition lacks substance.

To further compound these deficiencies, Dr. Pastore has provided no substantive analysis or credible opinion identifying any error in the Examiner's reasoning. His contribution consists of a vague, non-committal statement that the Examiner "does not appear" to have considered additional prior art, and a conclusory, out-of-context paragraph asserting that the Examiner did not "address the cited art's disclosures of 'laminated fabrics' having multiple layers and/or base fabrics attached to one another." EX1003, ¶67. However, Petitioner and Dr. Pastore merely recycle the same "laminated fabrics" arguments the Examiner already extended, and the Patent Owner overcame, during prosecution. They offer no explanation, let alone evidence, of how the Examiner got it wrong.

In reality, Dr. Pastore's halfhearted language only reinforces the point that even Dr. Pastore cannot identify a specific error in the Examiner's analysis.

*Advanced Bionics*, however, requires more than a tentative, throwaway statement on whether the Examiner made any error in assessing the references. *See, e.g., Advanced Bionics*, Paper 6, at 10-11; *see also Ecto World, LLC and SV3, LLC v. RAI Strategic Holdings, Inc.*, IPR2024-01280, Paper 13 at 5-6 (PTAB May 19, 2025) ("Petitioner's generalized statements as to the strength of its [p]etition fail to identify sufficiently a material error.").

With respect to Ground 3, to quote the Petitioner and its expert, "[t]he reasoning provided above for . . . Ground 2A [] applies equally here." Petition at 89, EX1003, ¶274.

Accordingly, because Petitioner merely rehashes arguments already before the Office, and fails to identify any material error in the Examiner's analysis, institution should be denied under § 325(d).

### **III. THE MERITS OF THE PETITION ARE WEAK**

#### **A. The Petition Lacks Particularity**

As set forth in 35 U.S.C. § 312(a)(3), an IPR petitions may only be considered if it identifies "with particularity, each claim challenged, the grounds on which the challenges to each claim are based, and the evidence that supports the grounds for challenge to each claim." Federal Circuit precedent also indicates that

“[i]t is of the utmost importance that petitioners in the IPR proceedings adhere to the requirement that the initial petition identify ‘with particularity’ the ‘evidence that supports the grounds for the challenge to each claim.’” *Intelligent Bio-Sys., Inc. v. Illumina Cambridge Ltd.*, 821 F.3d 1359, 1369 (Fed. Cir. 2016).

In the instant case, the Petition provides a medley of five primary prior art references for the three Grounds, with features cherry-picked from each reference and cobbled together via conclusory statements with no logical substance to arrive at the claimed invention. Even more concerning, having failed to arrive at the claimed invention through its combination of the references actually in the grounds, throughout the Petition, Petitioner has chosen to backfill missing support by randomly bringing in arbitrary references (*e.g., Adanur, Virtanen, Hyvonen, etc.*) that are not actually part of its asserted obviousness grounds.

For example, in Ground 1, Petitioner purports to combine *Ryan* and *Yook* to form its alleged obviousness case of claim 1. In doing so, Petitioner provides a two-sentence long description of *Ryan* and from there, somehow immediately jumps to the conclusion that *Ryan* is “in all relevant ways identical to the base structure” of the ’388 Patent. Petition at 17-18. Three short sentences later, Petitioner sums up its arguments on *Ryan* by concluding that “Ryan’s base fabric 10 matches the base fabric of the ’388 [P]atent, lacking only the ’388 patent’s outer sheet plies.” Petitioner next moves on to *Yook* and explains that *Yook* discloses a

woven two-layer fabric. Petition at 19-20. Petitioner then provides an annotated and seemingly enhanced version of *Yook*'s FIG. 12 (which it describes as a "substitute" but does not explain where this substitute drawing comes from) and provides a confusing argument which seems to be trying to imply that because *Yook* discloses a two-layer base structure, one layer base structure is "attached on the outside of [the other] base fabric." Petition at 20-21. Perhaps realizing the weakness of its own argument, Petitioner next tries to deflect by randomly bringing in *Adanur* (EX 1011), a 1997 textbook that according to the Petitioner explains that "laminated fabrics provide 'high void volume . . .to handle the water flow' associated with pressing." Petition at 21 (citing *Adanur* at 154). Next, Petitioner discusses *Adanur* and explains that *Adanur* also teaches a "one-layer base fabric laminated to the outside of a two-layer base fabric." Petition at 21. Consistent with the theme of the Petition, in the next paragraph, Petitioner produces yet another reference, *Virtanen* (EX 1008), and suggests that *Virtanen* discloses "that laminated structures include a 'relatively large water retention capacity' (associated with the high void volume of laminated fabrics), 'good resistance against compression,' and 'greater flexibility compared with a single-base structure.'" Petition at 22 (citing *Virtanen* at [0012]). And if that is not enough, Petitioner brings in yet another reference, *Hyvonen* (EX 1022), to argue that "it is easier to provide the laminated felts with a sufficient space for water." Petition at

22 (citing *Hyvonen*, 3:15-24). Finally, Petitioner brings in *Zehle* (EX 1020) to seemingly illustrate that “multiple base fabrics of a laminated fabric can advantageously be selected with different characteristics depending on the positions of the base fabrics.” Petition at 22 (citing *Hyvonen*, 3:15-24).

Grounds 2 and 3 include similar particularity issues. *See, e.g.*, Petition at 53 (Petitioner brings in *Ryan* and yet another reference, *Yook* 146 to form its Ground 2 obviousness case) and incorporates the arguments of Ground 2 into Ground 3. *See, e.g.*, Petition at 8.

Accordingly, despite Petitioner's characterization of Ground 1 as a two-reference combination *Ryan* and *Yook*, Ground 1 is, in reality, a six-reference amalgamation of *Ryan*, *Yook*, *Adanur*, *Virtanen*, *Hyvonen*, and *Zehle* that lacks particularity. *See, e.g.*, *Adaptics Ltd. v. Perfect Co.*, IPR2018-01596, Paper 20 at 15-16 (PTAB March 6, 2019) (denying institution of “catch-all” obviousness grounds for lacking particularity). In *Adaptics*, the Board denied institution of the petition where Petitioner had presented obviousness grounds combining two references with a combination of eight additional references, resulting in a vast number of possible reference combinations. The Board found this “catch-all” approach excessively burdensome and lacking the necessary particularity to allow the patent owner and the Board to reasonably address. *Adaptics*, Paper 20 at 21. The Board exercised its discretion to deny institution because it viewed the lack of

particularity to impede efficient and fair adjudication by forcing parties to have to respond to voluminous and excessive grounds.

Here, throughout the Petition, Petitioner has created the same “catch-all” particularity issues as in *Adaptics*, leaving the Patent Owner and the Board with the burden to piece through and respond to all potential combinations of the primary and secondary references. For this reason alone, the Board should exercise its discretion to deny institution of the claims.

**B. Petitioner Fails to Articulate a Motivation to Combine the References**

The Board should deny institution for the additional reason that Petitioner failed to meet its burden to demonstrate that a POSITA would have had a reason to combine and modify the primary references to arrive at the claimed inventions with a reasonable expectation of success. Specifically, other than some boilerplate conclusory statements, Petitioner has not even attempted to articulate a reason for why a POSITA would have been motivated to form its proposed combinations.

For example, in Ground 1, Petitioner simply asserts that a POSITA would have been motivated to *Ryan* and then *Yook* and then *Adanur* and then *Virtanen* and then *Hyvonen* and then finally *Zehle* because “this modification would have constituted ‘the mere application of a known technique to a piece of prior art ready for the improvement.’” Petition at 23 (citing *KSR Int’l Co. v. Teleflex Inc.*, 550

U.S. 398, 417 (2007). According to the Petitioner, this combination would have been obvious because “advantages of lamination were well known” and all POSITA would have needed was to attach one fabric to another fabric so there was no reason for the POSITA not to expect success. Petition at 30-31. In other words, Petitioner asserts that *Ryan* was ready to be improved, and a POSITA could have chosen any reference that discussed lamination and simply needled fabrics from one reference to another. Petitioner also extends similar arguments in Grounds 2-3. Petition at 58-62 and 89.

Petitioner's hodgepodge of references relies on impermissible hindsight and a very broad reading of the references to pick and choose features from individual parts of references and uses “the invention to define the problem the invention solves.” *Mintz v. Dietz & Watson, Inc.*, 679 F.3d 1372, 1377 (Fed. Cir. 2012); *see also AT&T Services Inc. et. Al. v. Innovative Sonic Ltd.*, IPR2024-001143 (PTAB Feb. 11, 2025) (denying institution after finding no motivation to combine because of an overly broad conclusion that “suffers from hindsight bias”).

#### **IV. INSTITUTION WOULD UNDERMINE SETTLED EXPECTATIONS AND PUBLIC POLICY**

The '388 Patent was granted May 29, 2018, over 7.5 years before Petitioner brought this action, and is based on an application filed on August 13, 2015, which is almost a decade before Petitioner filed its Petition, as such, Patent Owner has

settled expectations as to the validity of the patent. *See* '388 Patent. The Director has previously discretionarily denied institution because “the challenged patent has been in force almost eight years, creating settled expectations.” *Dabico Airport Sols. Inc. v. AXA Powers Aps*, IPR2025-00408, Paper 21 at 2 (P.T.A.B. June 18, 2025); *see also Cambridge Industries USA, Inc. v. Applied Optoelectronics, Inc.*, IPR2025-00435, Paper 11 at 3 (June 27, 2025) (Denying institution because the challenged patent had been in force for seven years and patent owner's settled expectations were stronger). In *Dabico Airport Sols*, the Director also noted that “the longer the patent has been in force, the more settled expectations should be” and equated this approach to the six-year damages period related to filing infringement lawsuits. *Id.* at 3. The situation is no different here, as “actual notice of a patent or of possible infringement is not necessary to create settled expectations.” *Dabico Airport Sols. Inc.*, Paper 21 at 2.

Further, Petitioner and Patent Owner are well-known to each other, have been operating in the same industry for several decades and have a longstanding history of competing in similar markets. In fact, earlier this year, the parties were in the process of negotiating a license agreement (the “License”) involving the '388 Patent. Term sheets were sent back and forth and there was no dispute over validity of the '388 Patent. However, instead of proceeding with the License, Petitioner opted to file the instant IPR.

Petitioner's tactical use of the IPR process undermines the purpose of the IPR system and prejudices Patent Owner's settled expectations. Patent law encourages resolution of disputes and the allocation of rights through private agreements. Granting institution would discourage future licensing and disincentivize innovation. The Board has discretion to decline institution based on the settled expectations of the parties and, given the decades' long relationship between the parties under the Agreement and their licensing efforts the Board, should find that institution is not warranted under the totality of the circumstances. The settled expectations of the parties, reinforced by the passage of time and the parties' business dealings, strongly support discretionary denial under § 314(a).

When viewing the factors together, the Petition should be denied in the Director's discretion under 35 U.S.C. § 314(a).

## **V. CONCLUSION**

For the foregoing reasons, Patent Owner respectfully requests that the Director exercise her discretionary powers and decline to institute *inter partes* review of the '774 Patent.

Dated: October 14, 2025

Respectfully submitted,

/s/ Brian W. Oaks

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**CERTIFICATE OF COMPLIANCE**

Pursuant to 37 C.F.R. § 42.24(d), I certify that this Request for Discretionary Denial complies with the type-volume limits of 37 C.F.R. § 42.24(b)(1) because it contains 4,485 words, excluding the parts that are exempted by 37 C.F.R. § 42.24(a), according to the word processing system used in preparation of this Request.

Dated: October 14, 2025

/s/ Brian W. Oaks

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**CERTIFICATE OF SERVICE**

Pursuant to 37 CFR § 42.6(e)(4), the undersigned certifies that on October 14, 2025, a complete copy of the foregoing Patent Owner's Request for Discretionary Denial was served on Lead and Back-up Counsel for Petitioner at the service address provided in Petitioner's Mandatory Notices:

Email: IPR59054-0016IP1@fr.com

Dated: October 14, 2025

/s/ Brian W. Oaks \_\_\_\_\_

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