

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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GENERAC POWER SYSTEMS, INC.,  
Petitioner,

v.

CHAMPION POWER EQUIPMENT, INC.,  
Patent Owner.

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IPR2025-01457  
Patent 11,143,145

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**PATENT OWNER CHAMPION POWER EQUIPMENT, INC.'S  
REQUEST FOR REHEARING**

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## GLOSSARY

| Abbreviation                | Term                                                                        |
|-----------------------------|-----------------------------------------------------------------------------|
| '034 Patent                 | U.S. Patent No. 10,393,034                                                  |
| '034 IPR                    | IPR2025-00805                                                               |
| '101 IPR                    | IPR2025-00951                                                               |
| '145 Patent                 | U.S. Patent No. 11,143,145                                                  |
| '145 IPR                    | IPR2025-01457                                                               |
| Board                       | Patent Trial and Appeal Board                                               |
| Firman                      | Firman Power Equipment, Inc.                                                |
| HFT                         | Harbor Freight Tools USA, Inc.                                              |
| MWE                         | MWE Investments, LLC                                                        |
| Patent Owner or<br>Champion | Champion Power Equipment, Inc.                                              |
| Petition                    | Petition for Inter Partes Review of U.S. Patent No.<br>11,143,145 (Paper 4) |
| Petitioner or Generac       | Generac Power Systems, Inc.                                                 |
| POSITA                      | Person of Ordinary Skill in the Art                                         |
| USPTO                       | United States Patent & Trademark Office                                     |

Patent Owner respectfully seeks rehearing of the USPTO’s decision not to deny institution in the instant proceeding on discretionary factors. Paper 18 (“after review of discretionary considerations, the following proceedings will be reviewed for merits and non-discretionary considerations.”). Specifically, Patent Owner’s request is based on significant new developments—including the denial of institution in *ten* additional related IPRs (eleven total) and the resolution of district court proceedings regarding two former petitioners—which occurred *after* Patent Owner filed its discretionary denial brief. Paper 10. In light of the changed circumstances, Patent Owner respectfully asserts that discretionary denial is appropriate.

## **I. PROCEDURAL HISTORY**

The instant IPR is one of a series of related proceedings challenging thirteen Champion patents. To date, eleven of the proceedings have been denied, on both discretionary and substantive grounds.

### **A. The Related ’034 IPR**

Petitioner Generac Power Systems, Inc. and former petitioners Harbor Freight Tools USA, Inc. and MWE Investments, LLC previously filed IPR2025-00805 challenging Champion’s U.S. Patent No. 10,393,034 on April 29, 2025. IPR2025-00805, Paper 4. The ’034 Patent is related to the ’145 Patent that is at issue here. The Board entered an order denying Patent Owner’s request for discretionary denial (*i.e.*,

referring the '034 IPR for a decision on the merits) on September 19, 2025. *See e.g.*, '034 IPR at Paper 8, Paper 14, Paper 20. The Board's stated rational was that "[b]ecause the litigation between the parties [(i.e., Patent Owner, Petitioner, and former petitioners HFT and MWE)] would proceed to several district court trials in different jurisdictions, resolving the dispute between the parties at the Office would be more efficient." '034 IPR at Paper 20.

**B. The Instant '145 IPR**

Months later, Patent Owner filed its Request for Discretionary Denial in the instant proceeding (Paper 10) and Petitioner (and former petitioners HFT and MWE) filed an Opposition. Paper 12. At that time, the '034 IPR and related '101 IPR had been instituted, and eight of Petitioner's remaining IPRs were still pending. In its Opposition, Petitioner argued that "[d]iscretionary denial is inappropriate here for the same reasons" as the '034 and '101 IPRs—namely that "Petitioner filed thirteen IPRs challenging all patents asserted across the three litigations against [Petitioners]" and "[c]onsolidating invalidity arguments across related proceedings into a single set of IPRs is an efficient use of resources." Paper 12 at 1-2. Conveniently, while Petitioner represented that it had "filed thirteen IPRs

challenging all [asserted] patents,” it ignored the fact that the USPTO had *already denied institution* in three of the related proceedings.<sup>1</sup>

Petitioner also argued that:

- “Allowing this IPR (and the Related IPRs) to proceed represents the *epitome* of efficient and appropriate use of Office resources.” *Id.* at 5.<sup>2</sup>
- “The alternative to the IPRs is to have two different jury trials proceed to assess invalidity of the asserted patents in two different district courts.” *Id.*
- “Such *piecemeal adjudication* creates a high likelihood of inconsistent outcomes.” *Id.*
- “Compared to presenting broad invalidity cases to two different juries, the Board is much better positioned to grasp and efficiently handle a *single set of challenges* to so many patents from two different families involving complicated aspects of multi-fuel engine/generator designs.” *Id.* at 5-6.
- “The vast efficiencies gained by allowing this IPR and the Related IPRs to proceed before the PTAB is a highly appropriate use of Office resources, and reason enough by itself to refuse discretionary denial.” *Id.* at 6.
- “This IPR should be instituted to realize those efficiency gains.” *Id.*

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<sup>1</sup> IPR2025-01121; IPR2025-01099; IPR2025-01228.

<sup>2</sup> All emphasis added unless otherwise noted.

- “Petitioner ... filed IPR petitions against all related patents to streamline the invalidity challenges in a single set of IPRs and ensure consistent invalidity determinations.” *Id.* at 5.
- “The Petitions thus represent a *greatly streamlined invalidity case.*” *Id.* at 5.

In short, Petitioner’s arguments largely revolved around potential efficiencies gained by (1) addressing invalidity challenges regarding all asserted patents before a single tribunal, and (2) consolidating invalidity challenges from two distinct district court proceedings. To be clear, the district court proceedings in question are the Generac litigation and separate litigation with time-barred non-petitioner Firman. Paper 12 at 2.

Confusingly, Petitioner previously argued that “consolidating invalidity arguments across [the Generac, HFT, and MWE] litigations into a single set of IPRs is an efficient use of resources.” IPR2025-01271, Paper 12 at 2. And, Petitioner has repeatedly represented that the Firman action *is not* relevant to discretionary denial considerations. Paper 12 at 16-17 (arguing that “Patent Owner cannot have it both ways—relying on the Firman case when it suits its needs for other factors, while ignoring Firman for its discussion of *Fintiv* Factor 5.”); *see also id.* at 12-14. After resolution of the HFT and MWE proceedings, however, Petitioner changed its tune with respect to the importance of the Firman litigation, and argued that the

alternative to IPR was “to have two different jury trials”—e.g., Generac and Firman. Paper 12 at 5. However, contrary to Petitioner’s representations, *there are no efficiencies to be gained in the Firman case through IPR*. Firman is not a petitioner, is time-barred, and is not subject to estoppel. Moreover, Petitioner concedes that the Firman case does not include any “invalidity argument based on the prior art combinations presented in this IPR.” Paper 12 at 14. Thus, it is unclear what “consolidating” Petitioner expects to occur.

**C. The Current Landscape and Intervening Developments**

After the parties filed their discretionary denial briefing, the landscape changed dramatically. First, the Director *reversed* the institution decisions in the ’034 and ’101 IPRs. IPR2025-00805, Paper 40; IPR20205-00951, Paper 38. Second, institution was *denied* in an additional six related IPRs (11 total) on both discretionary and merits-based grounds. *See e.g.*, IPR2025-01185, IPR2025-01272, IPR2025-01384, IPR2025-01423, IPR2025-01438, and IPR2025-01463. Third, the HFT and MWE litigations were resolved, and both HFT and MWE withdrew as petitioners. Papers 13-17. Finally, the USPTO granted institution in the instant proceeding on March 17, 2026. Paper 19.

Now, only two of the thirteen originally-filed IPRs<sup>3</sup> remain pending, and Generac is the sole remaining Petitioner. Papers 13-17. In district court, Generac has raised dozens of discrete invalidity challenges to the eleven Champion patents asserted against it. *See e.g.*, EX2113, 26-35. Generac's district court invalidity arguments are based on a wide variety of alleged prior art references, including many of the references at issue here, and system art not covered by Generac's *Sotera* stipulation. *Id.* at 15-17. Generac has also incorporated by reference the analysis in each of its now-defunct IPR petitions, as well as contentions from the Firman, HFT, and MWE litigations. *Id.* at 35-37. Finally, Generac also raised numerous invalidity theories based on 35 U.S.C. § 112. *Id.* at 37-55. In short, Generac has presented a fulsome and robust invalidity challenge in parallel district court litigation.

## **II. LEGAL STANDARD**

“A party dissatisfied with a decision may file a single request for rehearing without prior authorization from the Board. The burden of showing a decision should be modified lies with the party challenging the decision. The request must specifically identify all matters the party believes the Board misapprehended or

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<sup>3</sup> IPR2025-01271, regarding U.S. Patent No. 10,697,398 and IPR2025-01457, regarding U.S. Patent No. 11,143,145.

overlooked, and the place where each matter was previously addressed in a motion, an opposition, a reply, or a sur-reply.” 37 C.F.R. § 42.71(d).

“If the Director issues a decision determining that discretionary denial is not appropriate, a party should file a single request for rehearing or Director Review after the Board panel issues its decision.” Interim Director Discretionary Process, §V.C (accessible via <https://www.uspto.gov/patents/ptab/interim-director-discretionary-process>). “A party may raise changed circumstances, for example, a change in trial date, in a request for rehearing or a request for Director Review filed within the applicable time period.” *Id.* at §V.D.

### **III. ARGUMENT**

Patent Owner seeks rehearing of the USPTO’s discretionary denial determination in light of two material developments that occurred *after* Patent Owner filed its discretionary denial brief. Paper 10. First, the district court proceedings regarding former petitioners HFT and MWE were resolved, leaving Generac as the sole remaining petitioner. Second, the USPTO has denied institution in eleven related IPRs, including six IPRs involving patents asserted against Generac

that are related to the '145 Patent.<sup>4</sup> Generac's invalidity challenges for each of those patents will now be resolved by the district court.

The Board's rationale against discretionary denial in the related '034 IPR was that "resolving the dispute between the parties at the Office would be more efficient" than proceeding with "several district court trials in different jurisdictions." '034 IPR at Paper 20. Now, following the termination of the HFT and MWE proceedings, there are no longer "several district court trials in different jurisdictions" and those efficiencies no longer exist.<sup>5</sup> Likewise, Petitioner's primary argument against discretionary denial—*i.e.*, that it "filed IPR petitions against all related patents to streamline the invalidity challenges in a single set of IPRs and ensure consistent invalidity determinations"—no longer holds true due to the *denial* in 11 of the related proceedings. Paper 12 at 5. As such, and contrary to Petitioner's

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<sup>4</sup> See *e.g.*, IPR2025-01121, IPR2025-01185, IPR2025-01272, IPR2025-01384, IPR2025-01423, and IPR2025-01463.

<sup>5</sup> As discussed above, the Firman litigation is irrelevant to this analysis at least because (1) it is not a petitioner, (2) it is not subject to estoppel, and (3) Petitioner concedes that the Firman case does not include any "invalidity argument based on the prior art combinations presented in this IPR." Paper 12 at 14.

representations, “[t]he Petitions [no longer] represent a greatly streamlined invalidity case.” *Id.*

Petitioner previously argued that “[t]his is the quintessential case for institution” because “[a]ll *Fintiv* factors weigh against discretionary denial.” Paper 12 at 11; *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, at 5-6 (P.T.A.B. Mar. 20, 2020). However, following the changed circumstances identified herein, Petitioner’s *Fintiv* analysis should be reexamined.<sup>6</sup>

**Factor 1 – Likelihood of a Stay:** With the resolution of the HFT and MWE cases, the sole remaining question is whether there is a likelihood that the Generac litigation will be stayed following institution of (at most) two IPRs. Patent Owner asserts that a stay *is not* likely to occur. Specifically, Patent Owner alleged infringement of eleven patents in the Generac litigation, but institution has already been denied in nine of the relevant proceedings. Petitioner’s evidence—which was questionable at best at the outset—is entirely moot in light of new developments.

First, Petitioner argued that “Judge Adelman has granted contested motions to stay 70% of the time, which is comparable to the district’s average grant rate of

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<sup>6</sup> *Fintiv* factors 2, 5, and 6 are not impacted by the changed circumstances underlying the instant request for rehearing. Nevertheless, discretionary denial remains appropriate as set forth in Patent Owner’s prior briefing. Paper 10 at 11, 15.

73%.” Paper 12 at 12 (citing EX1056; EX1057). However, Petitioner references Judge Adelman’s orders on *all* motions to stay, *not just* motions to stay pending IPR proceedings, presumably because Judge Adelman does not appear to have ruled on this issue. *Compare* EX1056 (“Type of Document: Stay”) *with* EX1057 (“Type of Document: Motion to Stay Pending Inter Partes Review”). And, other courts in the Eastern District of Wisconsin have articulated that “[w]hether a stay would simplify the issues depends, of course, on whether the petitions are granted and some or all of the challenged claims are determined to be invalid.” *e-ImageData Corp v. Digit. Check Corp*, No. 16-CV-576, 2017 U.S. Dist. LEXIS 23050, at \*7 (E.D. Wis. Feb. 17, 2017). Here, there is no doubt that the vast majority of the relevant petitions *have not been granted*, meaning that any stay *will not significantly simplify the issues*. As such, a stay is not likely.

Second, Petitioner’s representations regarding Patent Owner’s alleged “openness to a stay” are both overstated and, more importantly, moot in light of the numerous denied petitions.

**Factor 3 – Investment in the Parallel Proceeding:** Petitioner relies solely on the fact that—on July 3, 2025—Champion represented that the Generac litigation was in its infancy in connection with a motion to sever certain of Generac’s counterclaims. Paper 12 at 14 (citing EX1070 at 13-15). Regardless of the status of the Generac litigation at that time, nine months of litigation have occurred since

Champion made that statement. The status of the HFT and MWE proceedings is no longer relevant, and the interim investment by the parties in the Generac litigation (coupled with the substantial forthcoming investment associated with the nine asserted patents where IPR has already been denied) supports denial on discretionary grounds.

**Factor 4 – Overlap in the Parallel Proceeding:** Petitioner previously argued that its “broad *Sotera*-plus stipulations ... will eliminate overlap between the district court proceeding and this IPR (as well as the Related IPRs)” and provide “a true alternative to district court for determining invalidity.” Paper 12 at 14-16. Now, however, the Generac court is necessarily tasked with resolving Generac’s invalidity arguments regarding the *nine* asserted Champion patents where IPR has already been denied. Similar questions of fact are implicated by the instant IPR and Generac’s district court invalidity arguments.

For example, Generac alleged certain claims of U.S. Patent No. 11,840,970 were anticipated or otherwise rendered obvious by the Kubota Workshop Manual (“Workshop Manual”) in parallel district court proceedings. EX2113, 29; *see also*

EX2125.<sup>7</sup> Meanwhile, the Petition argues Claim 1-5 and 10 of the '145 Patent are disclosed or otherwise rendered obvious by the exact same reference. Pet., 10, 17-21, 30-50. Patent Owner acknowledges there are differences in scope between the claims of the '145 and '970 Patents. However, the claimed subject matter is sufficiently related to create overlapping questions of fact which—if the instant IPR is instituted—must be separately resolved by each tribunal, creating the possibility of inconsistent outcomes.

As an example, Petitioner argues that the Workshop Manual discloses Element [1.4] (“a carburetor attached to an intake of the engine to mix air and fuel and connect to a gaseous fuel source and a liquid fuel source”) by referencing several

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<sup>7</sup> Good cause exists to consider Generac’s district court invalidity positions regarding the related '970 Patent, which only became relevant when IPR2025-01463 regarding the '970 Patent was denied on January 27, 2026. “Absent a showing of “good cause” prior to filing the request for rehearing or in the request for rehearing itself, new evidence will not be admitted.” Consolidated Trial Practice Guide, 90 (citing *Huawei Device Co., Ltd. v. Optis Cellular Tech., LLC*, IPR2018-00816, Paper 19, slip op. at 4 (P.T.A.B. Jan. 8, 2019) (precedential)). “[A] party may argue ‘good cause’ exists in the rehearing itself.” *Id.* As such, Patent Owner could not have addressed the overlapping subject matter in prior papers.

images and figures from the Workshop Manual. Pet., 33-38 (citing EX1009, 65, 68, 115, 119). Meanwhile, in district court Generac argues that the same reference discloses Claim 1(a)(2) (“a carburetor attached to an intake of the engine to mix air and fuel and connect the liquid fuel line to the intake”) and Claim 2 (“wherein the carburetor connects the gaseous fuel line to the intake”) of the ’970 Patent with reference to the *exact same four pages* of the Workshop Manual. EX2125, 5-9, 14-18.

Similarly, Petitioner also argues that the Workshop Manual discloses Claim 2 (“a gaseous fuel valve along a gaseous fuel line coupling the gaseous fuel source to the carburetor”), identifying the Workshop Manual’s LPG Cut Off Solenoid as the alleged valve. Pet., 43-46 (citing EX1009, 65, 68). Meanwhile, in district court Generac argues that the Workshop Manual discloses Claims 20(b) (“a gaseous fuel valve coupled to an inlet of the gaseous fuel line and connectable to the pressurized fuel source”) of the ’970 Patent, with reference to the same LPG Cut Off Solenoid. EX2125, 24-25. In each instance, Petitioner cites the same portions of the same reference as allegedly disclosing similar claim limitations.

Not only is the district court necessarily tasked with resolving Generac’s prior art-based invalidity challenges regarding the related ’970 Patent, it is also tasked with resolving Generac’s system art-based invalidity challenges regarding the instant ’145 Patent. EX2113, 15-17, 27-28. As such, the Generac court will

necessarily analyze both (1) the claims of the '145 Patent, and (2) the very prior art raised in the Petition. The only question that remains is whether Generac's prior art-based challenges to the validity of the '145 Patent are more properly resolved before the Board (in a vacuum) or before the district court (along with its robust analysis of Generac's related challenges). Because of the overlapping subject matter and similar invalidity allegations, the instant IPR no longer presents "a true alternative to district court for determining invalidity," but rather results in duplication of effort with the potential for inconsistent results. Paper 12 at 15. As such, in light of the changed circumstances following Patent Owner's discretionary denial briefing, institution should be denied.

#### **IV. CONCLUSION**

Simply put, Petitioner advanced a number of arguments against discretionary denial based on the efficiencies gained from "[c]onsolidating invalidity agreements across related proceedings into a single set of IPRs." Paper 12 at 2; *see also id.* at 5 ("this IPR ... represents the epitome of efficient and appropriate use of Office resources"); *id.* ("piecemeal adjudication creates a high likelihood of inconsistent outcomes"); *id.* at 5-6 (arguing that "the Board is much better positioned to grasp and efficiently handle a single set of challenges to so many patents from two different families involving complicated aspects of multi-fuel engine/generator

designs” when “[c]ompared to presenting broad invalidity cases to two different juries”).

Those arguments, however, are now moot. There is no increased efficiency gained by carving out resolution of Generac’s invalidity challenges with respect to the ’145 Patent from the district court, particularly when that same court is necessarily tasked with resolving many of the factual disputes present in the instant IPR. And, Petitioner explicitly concedes there is no efficiency gained with respect to co-pending litigation with time-barred non-petitioner Firman—stating that in the Firman case “there is no invalidity argument based on the prior art combinations presented in this IPR.” Paper 12 at 14. Patent Owner respectfully asserts that the USPTO’s Institution Decision should be reversed and institution should be denied.

Dated: March 31, 2026

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**CERTIFICATE OF SERVICE**

In accordance with 37 C.F.R. § 42.6(e), the undersigned certifies that on March 31, 2026, a complete and entire copy of the foregoing Request for Rehearing, including the exhibits relied upon, was served on counsel of record for Petitioner, as follows:

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