

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

FEDEX CORPORATION, and FEDEX OFFICE  
AND PRINT SERVICES, INC.  
Petitioners

v.

VALTRUS INNOVATIONS LTD.,  
Patent Owner

---

Case No. IPR2025-01490  
Patent No. 7,120,832

---

**PATENT OWNER'S BRIEF REQUESTING THAT INSTITUTION OF THE  
PETITION BE DENIED ON DISCRETIONARY GROUNDS**

**TABLE OF CONTENTS**

|      |                                                                                                                                                              |    |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| I.   | Introduction.....                                                                                                                                            | 1  |
| II.  | The Deputy Director Should Exercise Her Discretion to Deny Institution Under 35 U.S.C. §314(a) Because Every <i>Fintiv</i> Factor Favors Denial .....        | 3  |
| A.   | Factor 1 Favors Denial Because There is No Stay of the Parallel District Court Litigations, and a Stay is Highly Unlikely.....                               | 6  |
| B.   | Factor 2 Strongly Favors Denial Because A District Court Trial Is Scheduled Months Before a Potential Final Written Decision .....                           | 10 |
| C.   | Factor 3 Favors Denial Because of the Significant Investment in the Parallel Proceedings by the Court and the Parties .....                                  | 12 |
| D.   | Factor 4 Strongly Favors Denial Because Petitioners’ Stipulation Is Ineffective To Prevent Duplicative Invalidity Adjudication In Parallel Proceedings ..... | 14 |
| E.   | Factors 5 and 6 Favor Discretionary Denial .....                                                                                                             | 16 |
| III. | Settled Expectations Strongly Favor Denial.....                                                                                                              | 17 |
| IV.  | Petitioners Have Not Shown That Any Error Occurred During Prosecution Error .....                                                                            | 19 |
| V.   | Section 315(d) Provides An Independent Basis For Denial In View Of The Co-Pending EPR.....                                                                   | 19 |
| VI.  | Conclusion .....                                                                                                                                             | 20 |

## **TABLE OF AUTHORITIES**

### **Cases**

|                                                                                                                               |         |
|-------------------------------------------------------------------------------------------------------------------------------|---------|
| <i>Force MOS Tech., Co. v. ASUSTek Comput., Inc.</i> ,<br>2024 WL 1586266 (E.D. Tex. Apr. 10, 2024) .....                     | 7, 8, 9 |
| <i>Netlist, Inc. v. Samsung Elecs. Co.</i> , No. 2:22-CV-00293-JRG, 2024 WL<br>6043769, at *3 (E.D. Tex. Mar. 11, 2024) ..... | 9       |
| <i>Realtime Data LLC v. Actian Corp.</i> ,<br>2016 WL 3277259 (E.D. Tex. June 14, 2016) .....                                 | 7       |

### **Agency Decisions**

|                                                                                                                                                            |              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| <i>10x Genomics, Inc. v. President &amp; Fellows of Harvard Coll.</i> , IPR2023-01299,<br>Paper 15, 16 (PTAB Mar. 7, 2024) .....                           | 6, 10        |
| <i>Amgen Inc. v. Bristol-Myers Squibb Company</i> , IPR2025-00601, Paper 9 (PTAB<br>July 24, 2025) .....                                                   | 18           |
| <i>Apple Inc. v. Fintiv, Inc.</i> ,<br>IPR2020-00019, Paper 11, 2 (PTAB Mar. 20, 2020) .....                                                               | 4, 6, 12, 14 |
| <i>Arm Ltd. v. Daedalus Prime LLC</i> ,<br>IPR2025-00207, Paper 10, 2 (PTAB May 16, 2025) .....                                                            | 10           |
| <i>Cisco Systems, Inc. v. WSOU Investments LLC d/b/a Brazos Licensing and<br/>Development</i> ,<br>IPR2025-00188, Paper 14 at 3 (PTAB Aug. 22, 2025) ..... | 10           |
| <i>Dabico Airport Sols. Inc. v. AXA Power APS</i> , IPR2025-00408, Paper 21 at 2-3<br>(PTAB June 18, 2025) .....                                           | 17           |
| <i>Dell Inc. v. Universal Connectivity Techs, Inc.</i> ,<br>IPR2024-01480, Paper 12, 9-10 (PTAB Apr. 24, 2025) .....                                       | 10           |
| <i>Ericsson Inc. v. Godo Kaisha IP Bridge 1</i> ,<br>IPR2022-00726, Paper 11, 11 (PTAB Nov. 2, 2022) .....                                                 | 14           |
| <i>Green Revolution Cooling, Inc. v. Midas Green Technologies, LLC</i> ,<br>IPR2025-00196, Paper 15 (PTAB July 25, 2025) .....                             | 14           |
| <i>Int’l Bus. Machs. Corp. v. Digital Doors, Inc</i> , IPR2023-00970, Paper 8, 13<br>(PTAB Jan. 12, 2024) .....                                            | 16           |
| <i>Motorola Sols. Inc. v. Stellar LLC</i> , IPR2024-01205, Paper 19 at 3-4 (PTAB Mar.<br>28, 2025) .....                                                   | 15           |
| <i>Roku, Inc. v. Ioengine, LLC</i> ,<br>IPR2022-01553, Paper 11, 10-11 (PTAB May 5, 2023) .....                                                            | 10           |

|                                                                                                                                                         |        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| <i>Samsung Elecs. Co., Ltd. v Sionyx, LLC,</i><br>IPR2025-00161, Paper 14, 7 (PTAB May 21, 2025).....                                                   | 10     |
| <i>Samsung Elecs. Co., Ltd. v. California Inst. of Tech.,</i><br>IPR2023-00133, Paper 10, 14 (PTAB May 4, 2023).....                                    | 6      |
| <i>Samsung Electronics Co. Ltd., v. Headwater Research LLC, IPR2024-01396/-</i><br>01407, Paper 21 (PTAB, July 22, 2025) .....                          | 13, 17 |
| <i>Samsung Electronics Co., Ltd. v. Mullen Industries LLC, IPR2024-01472/</i><br>IPR2025-00018/-00019/-00021/-00124, Paper 19 (PTAB July 17, 2025)..... | 14     |
| <i>Shenzen Tuozhu Technology Co., Ltd, v. Stratasy, Inc.,</i><br>IPR2025-00354, Paper 11 at 2 (PTAB June 12, 2025).....                                 | 11     |

## **Statutes**

|                      |       |
|----------------------|-------|
| 35 U.S.C. § 314..... | 3     |
| 35 U.S.C. § 315..... | 3, 19 |

## **Other Authorities**

|                                                                                                                                                                         |   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| <a href="https://www.uspto.gov/patents/ptab/interim-director-discretionary-process">https://www.uspto.gov/patents/ptab/interim-director-discretionary-process</a> ..... | 1 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|

**PATENT OWNER’S EXHIBIT LIST**

| <b>No.</b> | <b>Exhibit Description</b>                                                                                                                                                |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2001       | Memorandum titled “ <i>Director Institution of AIA Trial Proceedings</i> ,” dated October 17, 2025 (“the Director Institution Memo”)                                      |
| 2002       | Memorandum titled “Interim Processes for PTAB Workload Management,” dated March 26, 2025 (“the Interim Processes Memo”)                                                   |
| 2003       | PTAB Proposed Rule 2025-0025                                                                                                                                              |
| 2004       | <i>Ex parte</i> Reexamination request filed by NetApp, Inc. in <i>Ex Parte</i> Reexamination No. 90/015,602                                                               |
| 2005       | Complaint in <i>Valtrus Innovations Ltd. et al v. The Home Depot, Inc. et al.</i> , Case No. 2:25-cv-00081-JRG (E.D. Tex. January 27, 2025)                               |
| 2006       | Second Amended Docket Control Order in <i>Valtrus Innovations Ltd. et al v. The Home Depot, Inc. et al.</i> , Case No. 2:25-cv-00081-JRG (E.D. Tex. January 27, 2025)     |
| 2007       | First Amended Docket Control Order in <i>Valtrus Innovations Ltd. et al v. FedEx Corporation et al.</i> , Case No. 2:25-cv-00516-JRG (E.D. Tex. May 9, 2025)              |
| 2008       | Complaint in <i>Valtrus Innovations Ltd. et al v. NetApp, Inc.</i> , Case No. 2:25-cv-00517-JRG (E.D. Tex. May 9, 2025)                                                   |
| 2009       | Complaint in <i>NetApp, Inc. v. Valtrus Innovations Ltd. et al.</i> , Case No. 1:25-cv-06138 (S.D.N.Y. July 25, 2025)                                                     |
| 2010       | <i>Reserved</i>                                                                                                                                                           |
| 2011       | Complaint in <i>Valtrus Innovations Ltd. et al v. Lenovo Group Limited et al.</i> , Case No. 2:25-cv-00080-JRG (E.D. Tex. January 27, 2025)                               |
| 2012       | Complaint in <i>Starbucks Corporation v. Valtrus Innovations Ltd. et al.</i> , Case No. 2:25-cv-01859 (W.D. Wash. September 25, 2025)                                     |
| 2013       | Docket Navigator Statistics for Judge Gilstrap                                                                                                                            |
| 2014       | Docket Navigator Statistics for EDTX Patent Cases                                                                                                                         |
| 2015       | Invalidity Contentions (cover pleading) in <i>Valtrus Innovations Ltd. et al v. The Home Depot, Inc. et al.</i> , Case No. 2:25-cv-00081-JRG (E.D. Tex. January 27, 2025) |

| No.  | Exhibit Description                                                                                                                                                               |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2016 | Invalidity Contentions ('832 patent Wolf Chart) in <i>Valtrus Innovations Ltd. et al v. The Home Depot, Inc. et al.</i> , Case No. 2:25-cv-00081-JRG (E.D. Tex. January 27, 2025) |
| 2017 | Declaration of Angela Quinlan                                                                                                                                                     |
| 2018 | R. Mansinghani, et al., “A Data-Based Look at Ex Parte Reexaminations,” American Bar Association (March 26, 2025)                                                                 |

## I. Introduction

Patent Owner respectfully submits this brief explaining why the Deputy Director<sup>1</sup> should exercise her discretion to deny institution of Petitioners' Petition for *Inter Partes* Review (Paper 1) of U.S. Pat. No. 7,120,832 (the "'832 patent). Patent Owner submits this brief pursuant to (1) the Memorandum titled "*Director Institution of AIA Trial Proceedings*," dated October 17, 2025 ("the Director Institution Memo"; EX2001), (2) the "*Interim Processes for PTAB Workload Management*," dated March 26, 2025 ("the Interim Processes Memo"; EX2002), and (3) the USPTO ("Office") Interim Director Discretionary Process guide, published at <https://www.uspto.gov/patents/ptab/interim-director-discretionary-process> ("Process Guide"). Further, the Office has amplified that guidance and explained its understanding of the proper role for IPRs in PTAB Proposed Rule 2025-0025 (EX2003, the "Proposed Rule"). Here, in view of all the foregoing authority and guidance, there are at least ***four independent reasons for discretionary denial***.

***First***, the challenged patent is already subject to not one but ***five*** parallel district court proceedings addressing invalidity, including one in which the

---

<sup>1</sup> Patent Owner addresses this brief to the Deputy Director because "[t]he Director has delegated his authority to the Deputy Director for discretionary decisions." Process Guide, § V.A.

scheduled trial date is ***five months before any Final Written Decision*** (“FWD”) will issue in this proceeding, and another—involving Petitioners—in which the district court trial and FWD will be essentially simultaneous. Not only that, but there is also a ***sixth parallel proceeding*** in which the validity of the ’832 patent is directly at issue—an *ex parte* reexamination (EPR) request that includes grounds based on the very same primary reference on which the Petition relies.

While Petitioners have submitted a limited stipulation that they will not pursue certain invalidity grounds in district court—a stipulation that falls far short of what would be sufficient under the Proposed Rule—none of the other district court defendants are so bound. Consequently, there is effectively no chance that an IPR of the ’832 patent will serve its primary purpose—“to provide a quick and cost-effective alternative to district court patent litigation.” EX2003, 002-003 (citation modified).<sup>2</sup> Instead, invalidity of the ’832 patent will likely be adjudicated in multiple district court proceedings—including one that will conclude long before any FWD issues. Based on these facts alone, the case for discretionary denial is overwhelming.

***Second***, Patent Owner’s settled expectations counsel heavily in favor of discretionary denial. It has been a stunning 19 years since the ’832 patent issued in

---

<sup>2</sup> All exhibit citations are to the stamped page numbers.

October 2006 and over two years since it expired—far exceeding the general six-year presumption of settled expectations. Further, the '832 patent has been part of a years-long licensing campaign—all without any post-grant challenge. Patent Owner thus has settled expectations as to the validity of the '832 patent and discretionary denial is plainly appropriate for this independent reason.

**Third**, the Petition identifies no material errors in prosecution. Instead, it reviews the prosecution history of the '832 patent without identifying anything the examiner did wrong. This is yet more reason that IPR is not a meritorious use of limited PTAB resources. **Fourth**, under 35 U.S.C. §315(d) the Deputy Director has independent discretion to terminate this IPR in view of the parallel EPR proceeding—a proceeding that the requester has asked “be conducted not only with ‘special dispatch,’ but also with ‘priority over all other cases.’” EX2004, 011. It would be deeply inefficient for the Office to devote limited PTAB resources to an IPR of the '832 patent at the same time as the Office is considering validity—including on grounds that are substantially similar to those in the Petition—in a parallel EPR.

## **II. The Deputy Director Should Exercise Her Discretion to Deny Institution Under 35 U.S.C. §314(a) Because Every *Fintiv* Factor Favors Denial**

Discretionary denial is appropriate here “because institution of a trial at the PTAB would be an inefficient use of Board resources in light of the ‘advanced state’

of the parallel district court litigation” under *Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11, 2 (PTAB Mar. 20, 2020) (precedential) (“*Fintiv*”) and the Office’s extensive case law applying *Fintiv* under the Interim Processes. See EX2001, 002.

Under *Fintiv*, to determine whether to deny institution, the Office considers six non-exhaustive factors: (1) whether the court granted a stay or evidence exists that one may be granted if a proceeding is instituted; (2) proximity of the court’s trial date to the Board’s projected statutory deadline for a final written decision; (3) investment in the parallel proceeding by the court and the parties; (4) overlap between issues raised in the petition and in the parallel proceeding; (5) whether the petitioner and the defendant in the parallel proceeding are the same party; and (6) other circumstances that impact the Board’s exercise of discretion, including the merits. *Fintiv*, IPR2020-00019, Paper 11, 6.

Here, there are **five** ongoing parallel district court litigations where invalidity is at issue, including a district court case in which trial will occur **five months before** any final written decision deadline in this IPR (if instituted). Not only that, there is a sixth district court action seeking a declaratory judgment of non-infringement. This multitude of district court proceedings is summarized below:

- *Valtrus Innovations Ltd. et al v. The Home Depot, Inc. et al.*, Case No. 2:25-cv-00081-JRG (E.D. Tex., filed January 27, 2025) (the “Home Depot Action”).  
Nature of action: Patent infringement action alleging infringement of five

patents, including the '832 patent. EX2005. Trial date: October 5, 2026.  
EX2006, 001.

- *Valtrus Innovations Ltd. et al v. FedEx Corporation et al.*, Case No. 2:25-cv-00516-JRG (E.D. Tex., filed May 9, 2025) (the “FedEx Action”). Nature of action: Patent infringement action alleging infringement of six patents, including the '832 patent. EX1016. Trial date: March 1, 2027. EX2007, 001.
- *Valtrus Innovations Ltd. et al v. NetApp, Inc.*, Case No. 2:25-cv-00517-JRG (E.D. Tex., filed May 9, 2025) (the “NetApp Action”). Nature of action: Patent infringement action alleging infringement of six patents, including the '832 patent. EX2008. Consolidated with Case No. 2:25-cv-00516 for discovery purposes. Trial date: March 1, 2027. EX2007, 001.
- *NetApp, Inc. v. Valtrus Innovations Ltd. et al.*, Case No. 1:25-cv-06138 (S.D.N.Y., filed July 25, 2025) (the “NetApp DJ Action”). Nature of action: Declaratory judgment action alleging non-infringement of six patents, including the '832 patent. EX2009. Trial date: To be determined.
- *Valtrus Innovations Ltd. et al v. Lenovo Group Limited et al.*, Case No. 2:25-cv-00080-JRG (E.D. Tex., filed January 27, 2025) (the “Lenovo Action”). Nature of action: Patent infringement action alleging infringement of six patents, including the '832 patent. EX2011. Trial date: To be determined.
- *Starbucks Corporation v. Valtrus Innovations Ltd. et al.*, Case No. 2:25-cv-01859 (W.D. Wash., filed September 25, 2025) (the “Starbucks DJ Action”). Nature of Action: Declaratory judgment action alleging invalidity and non-infringement of 12 patents, including the '832 Patent. EX2012. Trial date: To be determined.

In view of this throng of parallel district court cases, each *Fintiv* factor favors denial and ***it is effectively impossible for an IPR of the '832 patent to be a genuine alternative to district court litigation.*** These are precisely the circumstances where discretionary denial is appropriate.

**A. Factor 1 Favors Denial Because There is No Stay of the Parallel District Court Litigations, and a Stay is Highly Unlikely**

Factor 1 favors denial when, as here, a district court stay is unlikely. *See 10x Genomics, Inc. v. President & Fellows of Harvard Coll.*, IPR2023-01299, Paper 15, 16 (PTAB Mar. 7, 2024); *Samsung Elecs. Co., Ltd. v. California Inst. of Tech.*, IPR2023-00133, Paper 10, 14 (PTAB May 4, 2023); *see also Fintiv*, IPR2020-00019, Paper 11, 6-8. As outlined above, there are **five** parallel litigations involving validity of the '832 patent. No stay has been requested in any of the litigations and no evidence exists that a stay will be granted in any proceeding—much less all of them— if IPR is instituted.

All four of the non-declaratory judgment district court cases are before Judge Gilstrap, who rarely grants stays and is unlikely to stay any of those cases under the circumstances here. Judge Gilstrap applies a three-factor test in evaluating stays: “(1) whether the stay will unduly prejudice the nonmoving party, (2) whether the proceedings before the court have reached an advanced stage, including whether discovery is complete and a trial date has been set, and (3) whether the stay will

likely result in simplifying the case before the court.” *Force MOS Tech., Co. v. ASUSTek Comput., Inc.*, 2024 WL 1586266, \*1 (E.D. Tex. Apr. 10, 2024) (Gilstrap, J.) (citation omitted). Here, each factor weighs against a stay.

First, any hypothetical stay request in the Home Depot Action would be highly prejudicial to Patent Owner since Home Depot is not a party to this IPR and Petitioners’ IPRs only address a subset of the patents asserted in the Home Depot Action. More broadly, as Judge Gilstrap has routinely found, a stay in any of the Home Depot, FedEx, NetApp, or Lenovo Actions—much less in all of them—would prejudice Patent Owner by preventing timely enforcement of its patent rights and recovery of monetary damages. *See, e.g., Force MOS Tech.*, 2024 WL 1586266, \*2-3 (denying stay and collecting cases); *Realtime Data LLC v. Actian Corp.*, 2016 WL 3277259, \*2 (E.D. Tex. June 14, 2016) (Gilstrap, J.) (denying stay and noting prejudice to patent owner).<sup>3</sup>

Second, the proceedings before the district court have reached an advanced stage. In the Home Depot Action, infringement and invalidity contentions have

---

<sup>3</sup> Judge Gilstrap “has a consistent practice of denying motions to stay when the PTAB has yet to institute post-grant proceedings.” *Force Mos Tech.*, 2024 WL 1586266, at \*4 (citing cases). Accordingly, the appropriate reference point for considering a stay motion is *after* institution decisions.

already been exchanged, other written discovery has been served and responded to, significant document production has occurred, and extensive briefing has already occurred with respect to Home Depot's venue-based motion to dismiss. Further, the parties will already have completed claim construction discovery and be on the verge of substantial completion of document production by the time any institution decision issues, and the claim construction hearing will occur less than two months later. EX2006, 004. Finally, trial will occur a full five months before any Final Written Decision issues. *Id.*, 001.

The Lenovo, NetApp, and FedEx Actions, while slightly behind the Home Depot Action, are also well-advanced. In the FedEx and NetApp Actions, Patent Owner has served infringement contentions, the parties have served and responded to written discovery, and have briefed multiple motions to dismiss. Further, invalidity contentions will be served only 13 days after this filing and in the NetApp Action Patent Owner is seeking additional venue discovery. EX2007, 006. By the time any institution decision issues, months of additional discovery will have occurred. Judge Gilstrap has found that such discovery and related activity indicates that proceedings are "advanced" for stay purposes. *See, e.g., Force MOS Tech.*, 2024 WL 1586266, \*3 (finding that service of contentions and document production was evidence that the proceeding was advanced).

Finally, a stay will not meaningfully simplify the various district court litigations. Both the Home Depot and Lenovo Actions involve multiple patents that have not been challenged in any IPR. Accordingly, even in the unlikely event that the PTAB instituted all of FedEx’s IPRs and “the PTAB invalidates every instituted claim,” numerous patents would still “remain live” in the Home Depot and Lenovo cases. *Force MOS Tech.*, 2024 WL 1586266, \*4. Judge Gilstrap has found that under such circumstances “IPRs cannot simplify the issues to the extent necessary to justify a stay.” *Id.* And of course neither Home Depot nor Lenovo have stipulated to any limitation on the invalidity grounds they can bring in their respective cases.

As to the FedEx and NetApp cases, any possible simplification is speculative, and “is not a given.” *Netlist, Inc. v. Samsung Elecs. Co.*, No. 2:22-CV-00293-JRG, 2024 WL 6043769, at \*3 (E.D. Tex. Mar. 11, 2024). Further, Petitioners’ stipulation filed in this IPR would still permit Petitioners to pursue various invalidity theories under §§102 and 103 based on patents, printed publications, and system art, as well as invalidity under §101 and §112. EX1017. And NetApp is not bound by any stipulation. Accordingly, any simplification gains are speculative and ephemeral.

Finally, there is no reason whatsoever to think that either the NetApp or the Starbucks DJ Actions will be stayed. These are affirmative cases brought by third parties actively seeking judgments regarding the challenged patents—including the ’832 patent. The plaintiffs in these litigations have no incentive to seek a stay.

Because there is no stay in any of the district court litigations and it is extremely unlikely there ever will be, Factor 1 weighs heavily against institution.

**B. Factor 2 Strongly Favors Denial Because A District Court Trial Is Scheduled Months Before a Potential Final Written Decision**

Where, as here, “the district court’s trial date is before the projected deadline for the final written decision, the Board has generally weighed this fact in favor of exercising discretion” to deny institution. *10x Genomics*, IPR2023-01299, Paper 15, 16. Here, factor 2 strongly favors denying institution of the instant Petition.

First, the district court’s trial date in the Home Depot Action is set for October 5, 2026. EX2006, 001. The projected statutory deadline for a final written decision is not until March 2027—***five months after*** trial in the Home Depot Action. This timeline strongly favors denial. *See, e.g., Arm Ltd. v. Daedalus Prime LLC*, IPR2025-00207, Paper 10, 2 (PTAB May 16, 2025) (Acting Director) (discretionary denial appropriate when trial 5 months before FWD); *Samsung Elecs. Co., Ltd. v. Sionyx, LLC*, IPR2025-00161, Paper 14, 7 (PTAB May 21, 2025) (Acting Director) (ITC trial “nearly 5 months before” FWD favors denial); *Dell Inc. v. Universal Connectivity Techs, Inc.*, IPR2024-01480, Paper 12, 9-10 (PTAB Apr. 24, 2025); *Roku, Inc. v. Ioengine, LLC*, IPR2022-01553, Paper 11, 10-11 (PTAB May 5, 2023); *Cisco Systems, Inc. v. WSOU Investments LLC d/b/a Brazos Licensing and Development*, IPR2025-00188, Paper 14 at 3 (PTAB Aug. 22, 2025) (Acting

Director) (vacating institution decision in part because “likely trial date in the parallel proceeding is approximately three months before” the FWD).

The actual time-to-trial date for the Home Depot Action (20 months, 8 days) is fully consistent with the median time-to-trial for patent cases before the presiding judge, Judge Gilstrap. For example, for patent cases filed between January 1, 2020 and November 3, 2025 before Judge Gilstrap, the median time-to-trial was 21 months. EX2013. And if the median time-to-trial for patent cases in the Eastern District of Texas generally is used, the analysis remains essentially identical. EX2014. Thus, the Home Depot Action alone places this IPR squarely among those that are routinely discretionarily denied based on the trial date alone.

The FedEx and NetApp actions provide yet more basis for discretionary denial. While the anticipated trial and FWD dates are roughly coterminous in those proceedings, the Deputy Director has found discretionary denial appropriate “when the district court scheduled trial date and the projected final written decision due date ***are in close proximity.***” *Shenzen Tuozhu Technology Co., Ltd, v. Stratasy, Inc.*, IPR2025-00354, Paper 11 at 2 (PTAB June 12, 2025) (Acting Director) (emphasis added). Further, the time-to-trial for the FedEx and NetApp Actions—21 months and 20 days—is *longer* than Judge Gilstrap’s median time-to-trial, thus suggesting that if the trial date is likely to move, those actions are likely to be tried earlier.

As for the Lenovo Action, and the Starbucks and NetApp DJ Actions, while trial dates have not yet been set, that those additional trials are also likely to occur further underscores that adjudication of the validity of the '832 patent is best left to proceedings in the many other forums that are addressing it.

Therefore, based on the district court's schedule, and the presiding judge's and EDTX statistics for patent cases specifically, a trial involving the challenged patent will occur months before any FWD—and two more trials (including one involving Petitioners) are likely to occur at the same time or slightly earlier than the FWD. Factor two weighs heavily in favor of denial.

Further, the same facts establish that institution here would be impermissible under the Office's proposed amendments to 37 CFR § 42.108, which mandate that “the Office will not institute an IPR when a petitioner intends to pursue invalidity challenges under §§ 102 or 103 in other venues.” EX2003, 012.

**C. Factor 3 Favors Denial Because of the Significant Investment in the Parallel Proceedings by the Court and the Parties**

In evaluating Factor 3, the Deputy Director should “consider[] the amount and type of work already completed in the parallel litigation by the court and the parties at the time of the institution decision.” *Fintiv*, IPR2020-00019, Paper 11, 9. Here, Factor 3 favors denying institution of the instant Petition. Both the district court and

the parties have invested substantial time and resources in the parallel litigations and will continue to do so before any institution decision.

As of the filing of this brief, in the Home Depot Action, infringement and invalidity contentions have already been exchanged, other written discovery has been served and responded to, significant document production has occurred, and extensive briefing has already occurred with respect to Home Depot's venue-based motion to dismiss. By the time of any institution decision, claim construction discovery will be over and the substantial completion of document production imminent, and both the claim construction hearing and the completion of fact discovery will be only roughly two months away. EX2006, 004.

As discussed above, while the Lenovo, NetApp, and FedEx Actions are slightly behind the Home Depot Action, significant investments have occurred in those cases as well. In the FedEx and NetApp Actions, Patent Owner has served infringement contentions, the parties have served and responded to written discovery, and have briefed multiple motions to dismiss. Further, invalidity contentions will be served only 13 days after this filing and in the NetApp Action Patent Owner is seeking additional venue discovery. By the time any institution decision issues, months of additional discovery will have occurred. The Office has frequently found this factor to favor denial under similar circumstances—even when there is only one parallel district court proceeding. *See, e.g., Samsung Electronics*

*Co. Ltd., v. Headwater Research LLC*, IPR2024-01396/-01407, Paper 21 (PTAB, July 22, 2025) (Director Review Executive); *Green Revolution Cooling, Inc. v. Midas Green Technologies, LLC*, IPR2025-00196, Paper 15 (PTAB July 25, 2025) (Acting Director); *Samsung Electronics Co., Ltd. v. Mullen Industries LLC*, IPR2024-01472/ IPR2025-00018/-00019/-00021/-00124, Paper 19 (PTAB July 17, 2025) (Director Review Executive).

Beyond all of these investments, Patent Owner and the parties in the NetApp and Starbucks DJ actions will also be making further investments as those cases proceed—further underscoring the breadth and extent of investments in parallel proceedings. Accordingly, given the significant investment in multiple parallel district court cases, Factor 3 weighs in favor of discretionary denial.

**D. Factor 4 Strongly Favors Denial Because Petitioners’ Stipulation Is Ineffective To Prevent Duplicative Invalidity Adjudication In Parallel Proceedings**

This factor strongly favors denial where, as here, “the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding.” *Fintiv*, IPR2020-00019, Paper 11, 12; *Ericsson Inc. v. Godo Kaisha IP Bridge 1*, IPR2022-00726, Paper 11, 11 (PTAB Nov. 2, 2022) (same). Further, the core inquiry for this factor is whether a petitioner’s stipulation “ensure[s] that these IPR proceedings would be a ‘true alternative’ to the district

court proceeding.” *Motorola Sols. Inc. v. Stellar LLC*, IPR2024-01205, Paper 19 at 3-4 (PTAB Mar. 28, 2025) (Acting Director) (“*Motorola* Director Review”).

Here, this IPR will plainly not serve as an alternative to invalidity adjudication in parallel proceedings. In the most advanced parallel proceeding—the Home Depot Action—the defendant is **not** subject to any stipulation and has already served invalidity contentions that challenge the validity of the ’832 patent on numerous invalidity grounds that rely on ***the exact same Wolf reference<sup>4</sup> that is the primary reference for every ground in the Petition.*** Compare EX2015, 053-057 and EX2016 with Petition at 1 (identifying three invalidity grounds that all rely on Wolf as a primary reference). Indeed, Home Depot’s invalidity contentions identify Wolf as its number one reference for the ’832 patent and identify **26 independent invalidity combinations** that rely on Wolf as a primary reference. EX2015, 056-057. In other words, far from being an alternative to validity determination in the district court, if this IPR were to proceed it would be retreading substantially the same invalidity grounds that the district court addressed months prior. This alone counsels heavily in favor of denial. EX2003 at 003 (“When IPR proceedings cover the same ground as district court litigation, they cease to be an ‘alternative’ and can substantially increase litigation costs. That is the opposite of what Congress intended.”).

---

<sup>4</sup> “Wolf” refers to U.S. Patent No. 5,287,363, EX1004.

As to the FedEx Action, while Petitioners have filed a stipulation (EX1017), it leaves the door open for Petitioners to pursue substantial invalidity grounds under Section 102 and 103 and thus falls far short of the type of stipulation that the Office has determined would make an IPR a true alternative to district court litigation. EX2003, 012 (“Under the proposed revisions...the Office will not institute an IPR when a petitioner intends to pursue invalidity challenges under §§ 102 or 103 in other venues.”); *see also Motorola* Director Review, at 3-4. In the Lenovo Action, and the NetApp and Starbucks DJ Actions, moreover, the defendants/counterclaim plaintiffs are not bound by any stipulation and are free to pursue any invalidity theories they wish—further confirming that this IPR cannot serve its core purpose of being alternative forum for litigating invalidity.

**E. Factors 5 and 6 Favor Discretionary Denial**

Here, both Petitioners and Patent Owner are parties in the FedEx Action. Accordingly, Factor 5 favors denial. *See Int’l Bus. Machs. Corp. v. Digital Doors, Inc*, IPR2023-00970, Paper 8, 13 (PTAB Jan. 12, 2024) (“Because Petitioner here is a defendant in the parallel district court litigation, this factor favors denial of institution under §314(a).”).

Factor 6 weighs in favor of denial due to the relative weak merits of the Petition, as Patent Owner will explain in detail in its forthcoming POPR. *See Interim Processes* § II.C.i. Even if the merits of the Petition were strong, moreover, that

cannot outweigh the inefficiency of proceeding with an IPR when—as here—a district court litigation will occur before the FWD. *See Headwater Research*, IPR2024-01396/-01407, Paper 21, 3 (vacating decision to institute despite strong merits of petition because district court trial date was six months before FWD). Further, as is discussed in more detail below, the parallel EPR is another independent consideration that counsels heavily in favor of denial.

### **III. Settled Expectations Strongly Favor Denial**

The '832 patent was filed over twenty-four years ago, on September 27, 2001, issued on October 10, 2006, was in full force since issuance, and is now expired. EX1001, Cover Page. When the application that issued as the '832 patent was filed—and for over six years after the patent issued—IPRs did not even exist. Although Patent Owner appreciates that pre-AIA patents are not, as a matter of law, immune from *inter partes* review proceedings, Patent Owner respectfully submits that it is particularly appropriate to apply the Office's settled expectations doctrine when—as is the case here—at the time of application filing, throughout prosecution, and for years after issuance, Patent Owner had no notice that its patent rights could be terminated through the IPR process.

Further, the Office has made it clear that, as a general matter, Patent Owners have strong settled expectations when patents have been in force at least six years. *See, e.g., Dabico Airport Sols. Inc. v. AXA Power APS*, IPR2025-00408, Paper 21 at

2-3 (PTAB June 18, 2025) (Acting Director) (IPR petition denied where “challenged patent has been in force almost eight years” and petitioner failed to “provide any persuasive reasoning why an *inter partes* review is an appropriate use of Office resources”); *Amgen Inc. v. Bristol-Myers Squibb Company*, IPR2025-00601, Paper 9 (PTAB July 24, 2025) (Acting Director) (“the challenged patents have been in force for seven and six years, respectively, creating strong settled expectations for Patent Owner”). Here, the ’832 patent was in force for **seventeen years** without any invalidity challenge, has expired, and only now—for the first time—is being challenged via a form of post-issuance review. Patent Owner’s expectations regarding validity have long been settled.

This is not a case, moreover, where the patent has never before been commercialized. As established by the declaration of Angela Quinlan, the ’832 patent was acquired by Patent Owner in May 2021 as part of the purchase of a portfolio of Hewlett Packard patents. EX2017. That portfolio—which includes the ’832 patent—has subsequently been part of an extensive licensing campaign that has resulted in licenses to over fifty entities without litigation. *Id.* As the Office has concluded in many other cases with less compelling facts, it would be unfair and a waste of the Board’s finite resources to address an expired patent that issued over seventeen years ago and is now expired.

#### **IV. Petitioners Have Not Shown That Any Error Occurred During Prosecution Error**

Some Director decisions have suggested that IPR can be appropriate when the Petition has identified clear, material errors in prosecution. Petitioners have identified no such errors here. Instead, Petitioners did nothing more than offer a summary of the prosecution history and assert that the primary reference relied upon—Wolf—“has never been considered by the Patent Office.” Pet. 4-5. This bare assertion that a prior art reference was not considered by the Office before does not come close to a viable showing of material error.

#### **V. Section 315(d) Provides An Independent Basis For Denial In View Of The Co-Pending EPR**

Section 315(d) gives the Deputy Director broad discretion “during the pendency of an *inter partes* review, if another proceeding or matter involving the patent is before the Office,” to “provid[e] for stay, transfer, consolidation, **or termination** of any such matter or proceeding.” 35 USC § 315(d) (emphasis added);<sup>5</sup>

---

<sup>5</sup> To the extent the term “pendency of an *inter partes* review” limits the provision to instituted IPRs, it only underscores that the Deputy Director should use her undisputed §314(a) discretion to deny the Petition now. Plainly, if the IPR would be terminated post-institution under § 315(d), there is no reason to institute it in the first place.

*see also* EX2003 at 004, 008. Here, termination of this IPR is appropriate since the parallel EPR (No. 90/015,602) not only addresses every challenged claim of the '832 patent, but also addresses six independent alleged invalidity grounds based on the Wolf reference—the **same** primary reference at issue here. EX2004, 029-036. And while the central reexamination unit has not yet formally ordered a reexamination based upon the pending request, its grant rate is over 95% for litigated patents (and 94% overall). EX2018, 006-009. Further, the average pendency of an EPR is only approximately 15 months, meaning that even though the parallel EPR here was filed two months after the Petition, it may well be adjudicated earlier than this IPR. *Id.*, 008. Given the Office's expressly stated goal of freeing PTAB resources for *ex parte* appeals, *see* EX2003 at 011 ("The Office believes it is appropriate to focus APJ time on *ex parte* appeals..."), Section 315(d) provides an independent basis for the Deputy Director to refuse institution of this IPR.

## **VI. Conclusion**

For the reasons explained above, Patent Owner respectfully submits that the Deputy Director should exercise her discretion to deny institution of the Petition.

Dated: November 4, 2025

Respectfully submitted,

/Richard J. Botos/

Richard J. Botos (Reg. No. 32,016)  
*Counsel for Patent Owner*

**CERTIFICATE OF SERVICE**

I hereby certify that the foregoing PATENT OWNER'S BRIEF THAT INSTITUTION OF THE PETITION SHOULD BE DENIED ON DISCRETIONARY GROUNDS and Exhibits listed on the List of Exhibits were served on November 4, 2025, via electronic mail upon counsel of record for Petitioner at the following email addresses:

IPR39898-0051IP1@fr.com  
Kenneth W. Darby, Jr.  
David Hoffman

Dated: November 4, 2025

*/Richard J. Botos /*

---

Richard J. Botos (Reg. No. 32,016)  
*Counsel for Patent Owner*