

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 IPR2025-01490
Patent 7,120,832

**PETITIONERS' REQUEST FOR REHEARING OF DISCRETIONARY
DENIAL OF INSTITUTION**

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I. INTRODUCTION

The landscape of this case has shifted dramatically since the Director’s denial. Petitioners now offer a “game changer”: an expanded stipulation to forgo ***all district court invalidity grounds***, guaranteeing this IPR serves as the true resource-saving mechanism that Congress envisioned. Moreover, the Director’s recent designation of the *Home Depot* and *Apple v. Allani* cases as “informative” confirms that Petitioners’ expectations against Valtrus’s surprising assertion of an expired patent outweigh other considerations that may have previously warranted denial. With inefficiency eliminated and Board norms clarified, the equities now compel referral.¹

II. REQUEST FOR RELIEF BASED ON NEW CIRCUMSTANCES

A. Materially New Circumstances Change the Calculus on Discretion

Much has changed in the short time since the Director discretionarily denied institution of this IPR. First, fact discovery developments in the Parallel FedEx Litigation have transformed the scope and posture of the parties’ disputes in that

¹ The Office’s guidance on the Interim Director Discretionary Process makes clear that “[a] party may raise changed circumstances...in a request for rehearing.” See <https://www.uspto.gov/patents/ptab/interim-director-discretionary-process#VI>.

The Acting Director granted such relief in each of IPR2025-00223 (Paper 12) and IPR2025-00267 (Paper 21).

forum, enabling Petitioners to expand their already expansive *Sotera+* stipulation even further. *See* DD Opp. at 16. Contingent upon institution, Petitioners agree to forgo ***all district court invalidity grounds***, not just those relating to prior art:

If *inter partes* review is instituted in IPR2025-01490, unless institution is later vacated, reversed or otherwise withdrawn by rehearing, Director Review, or any other de-institution mechanism, Petitioners FedEx Corporation and FedEx Office and Print Services, Inc. stipulate that they will not pursue in Civil Action No. 2:25-cv-00516 (E.D. Tex.), against the '832 patent, any grounds of invalidity under §§ 101, 102, 103, and/or 112.

Second, the Director recently designated certain prior discretionary decisions informative of Board norms going forward. One of them—*Home Depot U.S.A., Inc. v. H2 Intellect LLC* (IPR2025-00480, Paper 11)—held that the expectations of parties like Petitioners against being sued on patents from an entirely different technology area are strong enough to outweigh other factors favoring denial. Another—*Apple Inc. v. Ferid Allani* (IPR2025-00856, Paper 11)—recognized that discretionary denial is not appropriate when, among other things, a patent owner like Valtrus delays its assertion campaign until after the patent has already expired.

By strengthening Petitioners' position and undermining Valtrus's, these new circumstances decisively tip the equitable balance in favor of referral.

B. Petitioners' Expanded Stipulation Outweighs Parallel Proceedings

Petitioners' expanded all-invalidity stipulation is a game changer. In every material way, Petitioners are willing to assume, upon institution of the obviousness

grounds in this IPR, the far broader scope of estoppel that typically applies to a PGR proceeding. Here, as much as any other case the Director has instituted, this IPR can serve as a true alternative to the Parallel FedEx Litigation. The parties' debate over the risk of duplicative efforts and inconsistent outcomes is now entirely moot, all while the Parallel FedEx Litigation remains in its early stages. *See* DD Req. at 11–12; DD Opp. at 13–15; *see also* EX2007 at 4–6 (showing Petitioners' preliminary invalidity contentions as the only substantive milestone regarding the '832 patent).

This factor now heavily favors referral and institution, outweighing all others, including the Home Depot Litigation involving the '832 patent. *See* DD Req. at 10–11; DD Opp. at 16–18. That case is hardly relevant for two reasons.

First, Petitioners are not a party to it. *See Apple Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 13–14 (Mar. 20, 2020) (precedential) (“If a petitioner is unrelated to a defendant in an earlier court proceeding, the Board has weighed this fact against exercising discretion to deny institution[.]”). Second, the Home Depot Litigation has little chance of going to trial because no Home Depot entity has *ever* done so in the Eastern District of Texas. *See* DD Opp. at 17–18. If a trial came to fruition, it would be an unprecedented, longtail event.

As for the ongoing *ex parte* reexamination (EPR) involving the '832 patent, Petitioners appreciate that concurrent post-grant proceedings addressing the same patent are ordinarily disfavored because of their outsized effect on the Office's

limited resources. *See* DD Req. at 19–20; DD Opp. at 12–13. But this case is now exceptional. Petitioners’ expansive stipulation will drastically narrow the scope of the Parallel FedEx Litigation on the ’832 patent and allow this IPR to serve the role of a true district court alternative, just as Congress intended. A development of this magnitude outweighs the resource-utilization cost of institution. Moreover, if the Director institutes, he can mitigate the tax on Office resources by staying or terminating the EPR.² *See* 35 U.S.C. § 315(d).

C. The *Home Depot* and *Apple v. Allani* Cases Are Now Informative, and Petitioners’ Materially Indistinguishable Facts Warrant the Same Result—Referral

In the *Home Depot* case recently designated informative and representative of Board norms, the Acting Director referred a petition to the merits review process despite finding it was “unlikely that a final written decision...[would] issue before [the] district court trial” and further despite the patent owner’s “strong settled expectations.” *Home Depot U.S.A., Inc. v. H2 Intellect LLC*, IPR2025-00480, Paper 11 at 1–2 (Director Sept. 4, 2025) (informative). Outweighing these factors, the Acting Director explained, was the countervailing consideration that the petitioner “did not have reason to anticipate assertion of the patent against it.” *Id.* at 3.

² At present, the EPR remains in its infancy, having produced no office actions. *See* <https://data.uspto.gov/patent-file-wrapper/search/details/90015602/transactions>.

Petitioners FedEx Corp. and FedEx Office likewise had firm expectations against assertion of the '832 patent. Thus here, as in the *Home Depot* case, Petitioners' expectations "outweigh the considerations favoring discretionary denial." *Id.*

The following relevant facts Petitioners' established were never disputed:

- The '832 patent is about monitoring performance of a storage device for computers;
- Petitioners are premier companies in the logistics and print services industries, respectively;
- Petitioners played no role in developing the accused open-source software and do not even use it; and
- The '832 patent is not in Petitioners' technology space and has never been asserted against an entity in Petitioners' technology space.

DD Opp. at 1–4. These undisputed facts reveal the same degree of unforeseeability that weighed so heavily in favor of referral in the now-informative *Home Depot* case. Indeed, this case is a poster child for eschewing discretionary denial when the challenged patent has not been commercialized, asserted, marked, licensed, or otherwise applied in the petitioner's technology space. If Petitioners' fact pattern does not fit the *Home Depot* mold, what will?

Beyond *Home Depot*, the Director's intervening designation of *Apple Inc. v. Ferid Allani*, IPR2025-00856, Paper 11 (Sept. 5, 2025), is also instructive here. Petitioners' circumstances align with the now-informative *Allani* decision because "[Valtrus] did not assert the ['832 patent] until after [it] expired." *Id.* at 3; *see also*

DD Opp. at 4–5. To be precise, the ’832 patent expired on July 17, 2023, more than a year before Valtrus sent its bad-faith licensing demand letter on October 16, 2024. *See* EX1106; DD Opp. at 7–8. In *Allani*, the Director held that “discretionary denial [was] not appropriate” despite the patent’s thirteen-year vintage and the low likelihood of the Board beating the district court to a decision. *Id.* at 2–3. Because Valtrus is employing the same post-expiration patent assertion scheme, discretionary denial is likewise unwarranted here. *Id.*; *see also Google LLC v. Sandpiper CDN, LLC*, IPR2025-00806, Paper 13 at 2–3 (Sept. 12, 2025) (similar); *Globus Med., Inc. v. Spinelogik, Inc.*, IPR2025-00226, Paper 8 at 3 (Jun. 12, 2025) (similar).

III. CONCLUSION

With all that has happened since the Director’s original decision, the circumstances of this case have now materially changed. Petitioners ask that the Director appropriately rebalance the scales and refer this IPR for a merits review.

Respectfully submitted,

Dated: January 20, 2026

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CERTIFICATE OF SERVICE

Pursuant to 37 CFR §42.6(e)(4), the undersigned certifies that on January 20, 2026, a complete and entire copy of this Petitioners' Request for Rehearing was provided via email, to the Patent Owner by serving the email correspondence addresses of record as follows:

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