

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 IPR2025-01491
Patent 7,904,686

**PETITIONER'S OPPOSITION TO PATENT OWNER'S REQUEST FOR
DISCRETIONARY DENIAL OF INSTITUTION**

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LIST OF EXHIBITS

EX1001	U.S. Patent No. 7,904,686 to Reese et al. (“the ’686 patent”)
EX1002	Excerpts from the Prosecution History of the ’686 patent (“the Prosecution History”)
EX1003	Declaration of Dr. Nenad Medvidovic
EX1004	U.S. Patent No. 5,774,715 (“Madany”)
EX1005	Locasto, <i>et al.</i> , 2004. “CamouflageFS: Increasing the effective key length in cryptographic filesystems on the cheap.” In Applied Cryptography and Network Security: Second International Conference, ACNS 2004, Yellow Mountain, China, June 8-11, 2004. Proceedings 2 (pp. 1-15). Springer Berlin Heidelberg (“Locasto”)
EX1006	Leffler, et al., “The Design and Implementation of the 4.3 BSD UNIX Operating System,” Addison-Wesley, 1989-90 (“Leffler”)
EX1007	Downing, et. al., “Dictionary of Computer and Internet Terms,” Ninth Edition, Barron’s Educational Series, Inc., 2006 (“Downing”).
EX1008	U.S. Pat. App. Pub. No. 2006/0184673 (“Liebman”)
EX1009	U.S. Pat. App. Pub. No. 2012/0124121 (“Pope”)
EX1010	Custer, “Inside the Windows NT File System,” Microsoft Press, 1994 (“Custer”)
EX1011	Garfinkel, “Practical Unix Security,” O’Reilly & Associates, Inc., 1992 (“Garfinkel”)
EX1012	U.S. Pat. App. Pub. No. 2005/0091487 (“Cross”)

EX1013	U.S. Pat. App. Pub. No. 2007/0168678 (“Meenakshisundaram”)
EX1014	Rivest, et al, 1998, August. “The RC6 TM Block Cipher.” In First advanced encryption standard (AES) conference (p. 16) (“Rivest”)
EX1015	Arnold, “Unix Security: a practical tutorial” McGraw-Hill, 1992 (“Arnold”)
EX1016	Tanenbaum, et. al, “Modern Operating Systems, Second Edition,” Prentice Hall, 2001 (“Tanenbaum”)
EX1017	Kelsey, 2002, February, “Compression and information leakage of plaintext,” in International Workshop on Fast Software Encryption (pp. 263-276). Berlin, Heidelberg: Springer Berlin Heidelberg (“Kelsey”)
EX1018	U.S. Pat. App. Pub. No. 2008/0034264 (“Kaabouch”)
EX1019 – EX1029	RESERVED
EX1030	Applied Cryptography and Network Security: Second International Conference, ACNS 2004, Yellow Mountain, China, June 8-11, 2004. Proceedings 2 (full). Springer Berlin Heidelberg.
EX1031	Library of Congress. https://lccn.loc.gov/2004106759 (accessed August 20, 2025).
EX1032	Declaration of June Munford
EX1033	“Pearson: History.” https://web.archive.org/web/20060711035850/http://www.pearson.com/index.cfm?pageid=14 (accessed August 20, 2025)

- EX1034 “Addison-Wesley.” Wikipedia, The Free Encyclopedia, May 10, 2025, <https://en.wikipedia.org/wiki/Addison-Wesley> (accessed August 20, 2025)
- EX1035 “Books by Marshall Kirk McKusick.” <https://web.archive.org/web/19971224220211/https://www.mckusick.com/books.html> (accessed August 20, 2025)
- EX1036 Library of Congress. <https://lccn.loc.gov/88022809> (accessed August 20, 2025).
- EX1037 Marsh, et al. “First-Class User-Level Threads,” Association for Computing Machinery, 1991.
- EX1038 U.S. Patent No. 6,477,560
- EX1039 October 7, 2025 Stipulation
- EX1040 Voluntary Search Disclosure Declaration
- EX1041 Complaint, *Valtrus Innovations Ltd. et al. v. FedEx Corp. et al.*, Case No. 2:25-cv-00516 (E.D. Tex. May 9, 2025)
- EX1041–1099 RESERVED
- EX1100 Defendants’ Motion to Dismiss, *Valtrus Innovations Ltd. et al. v. FedEx Corp. et al.*, Case No. 2:25-cv-00516 (E.D. Tex. July 28, 2025)
- EX1101 Wikipedia contributors. (2025, November 24). FedEx. In Wikipedia, The Free Encyclopedia. Retrieved from <https://en.wikipedia.org/w/index.php?title=FedEx&oldid=1323962065>
- EX1102 FedEx Company Structure and Facts. Retrieved from <https://www.fedex.com/en-us/about/company-structure.html>

- EX1103 Defendant FedEx Office and Print Services, Inc.’s Objections and Responses to Plaintiffs’ First Set of Interrogatories, *Valtrus Innovations Ltd. et al. v. FedEx Corp. et al.*, Case No. 2:25-cv-00516 (E.D. Tex. July 28, 2025)
- EX1104 Declaration of Michael A. Bittner in Support of SAP America, Inc.’s Answering Brief in Opposition to Defendants’ Motion to Dismiss, *SAP America, Inc. v. Valtrus Innovations Ltd. et al.*, Case No. 24-cv-00756 (D. Del. October 2, 2024) (public version)
- EX1105 Valtrus Innovations Ltd. Home Page. Retrieved from <https://www.valtrusinnovations.ie/>
- EX1106 Letter from Vincent J. Rubino III of Fabricant LLP on behalf of Valtrus Innovations Ltd. to FedEx Corporation (October 16, 2024)
- EX1107 FedEx Global Economic Impact Report (2025)
- EX1108 Letter from Vincent J. Rubino III of Fabricant LLP on behalf of Valtrus Innovations Ltd. to Starbucks Corporation (February 4, 2025)
- EX1109 Letter from Angela Quinlan of Valtrus Innovations Ltd. to SAP SE (March 4, 2022)
- EX1110 Listing of Active Valtrus Patents. Data retrieved via <https://analytics.patsnap.com/>
- EX1111 Tax Convention with Ireland (Effective Date: 1998)
- EX1112 Email from Chris Cherry on behalf of FedEx Corporation to Vincent J. Rubino III of Fabricant LLP on behalf of Valtrus Innovations Ltd. (March 12, 2025)
- EX1113 Email from Dave Rosenblatt on behalf of Valtrus Innovations Ltd. to Chris Cherry on behalf of FedEx Corporation (March 14, 2025)

- EX1114 Plaintiffs Valtrus Innovations Ltd. and Key Patent Innovations Ltd.'s Notice of Voluntary Dismissal Without Prejudice, *Valtrus Innovations Ltd. et al. v. FedEx Corp. et al.*, Case No. 2:25-cv-00516 (E.D. Tex. August 11, 2025)
- EX1115 Docket Control Order, *Valtrus Innovations Ltd. et al. v. FedEx Corp. et al.*, Case No. 2:25-cv-00516 (E.D. Tex. July 25, 2025)
- EX1116 Eric Taufest and Jared Hoggan. Judicial Profile: Hon. Rodney Gilstrap
- EX1117 Consolidation Order, *Valtrus Innovations Ltd. et al. v. FedEx Corp. et al.*, Case No. 2:25-cv-00516 (E.D. Tex. June 27, 2025)
- EX1118 Docket Control Orders for Case Nos. 2:25-cv-00438-JRG, 2:25-cv-00554-JRG-RSP, 2:25-cv-00617-JRG, and 2:25-cv-00450-JRG-RSP
- EX1119 CourtLink Docket, *Valtrus Innovations Ltd. V. Sap America, Inc. et al.*, Case No. 2:24-cv-00021 (E.D. Tex.)
- EX1120 LegalMetric District Report: Texas Eastern District Court in Patent Cases, January 2000-July 2025 (excerpt)
- EX1121 DocketNavigator. Patent Research Tools: Time to Trial for Judge Rodney Gilstrap
- EX1122 Defendant FedEx Office and Print Services, Inc.'s disclosures Pursuant to Patent Rules 3-3 and 3-4, *Valtrus Innovations Ltd. et al. v. FedEx Corp. et al.*, Case No. 2:25-cv-00516 (E.D. Tex. November 19, 2025)
- EX1123 LexMachina. Summary of Resolutions re E.D. Tex. Patent Cases Involving Home Depot Entities
- EX1124 Stipulation to Dismiss Home Depot U.S.A. Inc. Without Prejudice, *Promethean Insulation Technology, LLC v. Sealed Air Corp. et al.*, Case No. 2:13-cv-01113 (lead) (E.D. Tex. April 15, 2015)

EX1125–1199 RESERVED

EX1200 The Hadoop Distributed File System: Architecture and Design
(2005)

EX1201 Letter from David Hoffman on behalf of FedEx Corporation
and FedEx Office and Print Services, Inc. to Alfred R.
Fabricant on behalf of Valtrus Innovations Ltd. (July 22, 2025)

EX1202 Manual of Patent Examining Procedure, Chapter 2100
Patentability (Rev. 6, Sept. 2007)

EX1203 Manual of Patent Examining Procedure, Chapter 900
Patentability (Rev. 5, Aug. 2006)

**All emphasis is added in this brief.*

I. INTRODUCTION

FedEx Corporation and FedEx Office are premier companies in the logistics and print services industries, respectively. The '686 patent, by contrast, concerns “data security for use with a file system.” EX1001 at 1:6–7. Still, despite not making or using the accused software, Petitioners are defending a district court infringement suit asserting the '686 patent. How did we get here?

Valtrus is a foreign entity who purchased a large portfolio including the challenged '686 patent in 2021 and has been demanding licenses from companies operating in the United States ever since. Valtrus's demand letters are predatory, and they attempt to prey on end-users rather than software developers or providers. The letters say the target company requires a portfolio license based on a smattering of old patents, some of which are expired, and without identifying any specific products that use the accused software. When targets pay, Valtrus funnels the royalties overseas to other foreign entities; when they do not, Valtrus sues, which it has done at least twenty-eight times in the last four years. Petitioners did not pay.

This IPR deserves the Board's attention and resources. Petitioners are stalwart American companies who did not, and should not, expect to be sued in the United States by a foreign entity asserting a patent unrelated to logistics or print services. *Infra*, § II.A. Institution is also warranted to correct dire examination errors and to conserve resources in parallel proceedings. *Infra*, §§ II.B–D.

II. ARGUMENT

A. The Balance of Settled Expectations Strongly Favors Institution

1. Petitioners FedEx Corp. and FedEx Office Held Firm Expectations Against Assertion of the '686 Patent

Patent Owner Valtrus sued Petitioners FedEx Corp. and FedEx Office in the Eastern District of Texas on May 9, 2025 (“the Parallel FedEx Litigation”). EX1041 at 1. Valtrus’s complaint falsely accuses FedEx Corp. and FedEx Office of making or using open-source distributed database software (Apache Hadoop Distributed File System (“HDFS”)) that purportedly infringes the ’686 patent.¹ *Id.* at 1–3, 6, 20–32. But Petitioners never should have been sued in the first place. In fact, as explained below, they each held firm expectations against a baseless patent infringement assertion like Valtrus’s.

To start, it is common knowledge that FedEx Corp. is a holding company and “does not offer products or services at all.” EX1100 at 6; *see also id.* at 2; EX1101 at 1. FedEx Corp. does not use the open-source “big data” software that Valtrus accuses, nor was it reasonable for Valtrus to assume so.

¹ The accused HDFS is an open-source distributed database software, developed by the Apache Software Foundation, that “was originally built as infrastructure for the open source web crawler Apache Nutch project.” EX1200 at 3. HDFS predates the ’686 patent. *Compare id.* (development by 2005), *with* EX1001 (2007 priority).

FedEx Office had a similarly strong expectation that it would not be sued on any patent that purportedly covers the accused open-source “big data” software. It is beyond debate that FedEx Office did not develop the accused software. That is not FedEx Office’s business. FedEx Office provides copying, digital printing, professional finishing, signs, corporate print solutions, packing services, and shipping services to its customers. EX1102 at 10. Moreover, in providing these services, FedEx Office “does not itself employ any of the third-party software packages set forth in [Valtrus’s] complaint.” EX1103 at 16.

Even setting aside that neither entity uses the accused software, the ’686 patent has never been “commercialized, asserted, marked, licensed, or otherwise applied” in Petitioners’ “particular technology space.” *See Shenzhen Tuozhu Tech. Co. v. Stratatsys, Inc.*, IPR2025-00438, Paper 10 at 3 (Director Jul. 17, 2025). Indeed, the original owner—Hewlett Packard—never asserted the ’686 patent in litigation. The ’686 patent laid dormant for 15 years, until Valtrus, a shell entity created for patent assertions, began to execute its acquire-and-assert scheme. EX1104 at 83–86 (financial statements), 94–95; *see also id.* at 19, 42, 71–79.

Valtrus does not commercialize the ’686 patent in the traditional sense because Valtrus is a patent assertion entity that does not make products or offer services. EX1105. For this same reason, Valtrus has no products to mark. Although Valtrus is presently asserting the ’686 patent in multiple lawsuits, none of the

defendants compete or collaborate with FedEx Corp. or FedEx Office in the marketplace. *See* EX2005 (Home Depot); EX2012 (Starbucks); EX2008 (NetApp). In addition, to the extent the '686 patent is licensed, Valtrus merely contends that it is part of much broader licenses to the entire portfolio of patents obtained from a Hewlett Packard entity in 2021. *See* EX2017 ¶¶ 3–4. None of Valtrus's assertion activities undermine FedEx Corp. and FedEx Office's settled expectations that they would not be the target of a baseless infringement suit involving the '686 patent and a "big data" software package that neither entity developed or even used.

As the Director previously observed, that Petitioners "did not have reason to anticipate assertion of the patent against [them]" is a factor that weighs against Valtrus's settled expectations and "outweigh[s] [any other] considerations favoring discretionary denial." *Home Depot U.S.A., Inc., v. H2 Intellect LLC*, IPR2025-00480, Paper 11 at 2–3 (Director Sept. 4, 2025).

2. Valtrus, a Foreign Patent Assertion Entity Waging Licensing and Litigation Campaigns Against American Companies, Should Not Have Settled Expectations of Discretionary Denial

Valtrus cannot reasonably expect that the United States Patent Office will refuse to review patents wielded by a foreign entity against American companies like Petitioners who power the domestic economy. *See* EX1107 at 9 (indicating "\$47.4 billion" in supply chain spending by FedEx Corp.'s operating companies within the United States and explaining how such spending supports "the small

business sector and makes significant contributions to local economies”), 12 (explaining that FedEx Corp.’s operating companies in the shipping and logistics space “play a particularly large role in the U.S. Transportation and Warehousing sector,” directly contributing “an estimated 6.6% of the sector’s total net economic output in FY2025”), 13 (explaining that FedEx Corp’s operating companies employ “approximately 275,000 team members around the country”).

Valtrus is a patent assertion entity based in Ireland. EX1016 at 1–2; EX2017 ¶¶ 1–2. Valtrus has no known connection to the United States beyond that it sends generic cookie-cutter licensing demand letters to companies operating in the United States and files lawsuits against those who don’t submit. *Compare* EX1106 (FedEx), *with* EX1108 (Starbucks), *and with* EX1109 (SAP).

Despite its Irish roots, Valtrus’s patent assertion business model is narrowly focused on the United States. Because all (or virtually all) of its active patent portfolio seemingly consists of United States patents, Valtrus conducts its patent assertion activities on U.S. soil, backed by the strong United States court system and financially sheltered by an international tax treaty. EX1110; EX1111 at 16–18 (Article 12 Royalties). Thanks to its extensive United States patent portfolio, Valtrus has extracted tax-sheltered royalty payments from “more than fifty entities.” EX2017 ¶ 3. Those funds all flow across the Atlantic from here to Ireland with no benefit at all to the United States Government, economy, or citizens.

Although existing laws do not preclude foreign entities like Valtrus from asserting United States patents against American companies like FedEx Corp. and FedEx Office, such a foreign entity ought not harbor an expectation that the United States Government would categorically decline a merits review of the foundational rights underpinning such a strategy.

3. Valtrus's Abusive Licensing and Litigation Tactics Further Undercut Its Alleged Settled Expectations

Valtrus's abusive licensing and litigation tactics further erode any would-be settled expectations based on the '686 patent's age.

Valtrus's unfair tactics date back to October 16, 2024, when Valtrus first accused FedEx Corp. of infringing a list of patents attached to a short two-page letter. EX1106 at 1–3. The letter failed to identify any specific products or services purportedly offered by FedEx Corp. and lacked even a single perfunctory claim chart for any of the asserted patents.² *Id.* When FedEx Corp. explained the letter's clear deficiencies, Valtrus reiterated its licensing demand without supplementing its allegations and later filed suit. *See* EX1112 (FedEx Corp. email dated March 12, 2025, explaining that "Valtrus's letter provides absolutely no basis to conclude that FedEx uses the various software packages listed" and that "[a] list of patent numbers

² Valtrus is defending claims of bad-faith patent assertion for sending a carbon copy demand letter to Starbucks. *See* EX2012 at 7–16; EX1108.

devoid of any explanation is simply not a sufficient basis for FedEx to conduct a reasonable investigation”); EX1113 (Valtrus email dated March 14, 2025); EX1041 (complaint dated May 9, 2025).

Valtrus’s lawsuit was yet another act in bad faith. The complaint accuses FedEx Corp. and FedEx Office of infringement with no factual allegations connecting either entity to the accused software. It is a matter of public record, discoverable by any sensible investigation, that FedEx Corp. is a holding company and does not offer products or services to consumers. *Supra*, § II.1. Valtrus tacitly conceded its misstep by dismissing FedEx Corp. from the Parallel FedEx Litigation. EX1114. As for FedEx Office, Valtrus’s complaint cites personal LinkedIn profiles as purported proof of use, but none list FedEx *Office* as an employer. EX1100 at 16–17; EX1041 at 21–25. In fact, some profiles are tied to names for which “there are no[] records in the employee database of any FedEx branded company,” and “if you run a Google search...the only hit is this suit.” EX1201.

Valtrus’s expectation that it can harass American companies with unfair patent licensing and litigation campaigns launched from the other side of the Atlantic absent any and all oversight from the United States Government is unreasonable and does not support discretionary denial.

B. Institution Is Warranted to Correct Severe Examination Errors

The '686 patent is not a born-strong patent. It is the product of weak examination. The Examiner recognized that the '686 patent's claims were obvious, yet still he allowed them. Why? Because when the Applicant demanded proof of a fact for which the Examiner took official notice, the Examiner caved and allowed the '686 patent to issue. He did so without conducting a sufficient prior art search and despite the Applicant's own specification confirming the noted fact.

The Examiner's self-reversal was wrong, and the American public is quite literally paying the price now that the '686 patent has fallen into the hands of a litigious foreign entity. Petitioners therefore ask that the Director remedy the harm the Examiner caused by permitting a merits review in the public interest.

1. The Examiner Erroneously Withdrew One Rejection and Failed to Raise Another

The Examiner's first Office Action rejected the claims of the application that led to the '686 patent because they were obvious over U.S. Patent Publication No. 2008/0034264 ("Kaabouch") and certain "well-known features of which Official Notice is hereby taken." EX1002 at 317. The official notice established one straightforward fact: "It has been known and commonly practiced in the pertinent art that memory systems such as that of Kaabouch are configured for storing data files having associated data block numbers." *Id.*

Unconvinced, the Applicant asked the Examiner to produce “authority for this assertion” and punctuated the point with a nominal narrowing amendment stating, “wherein the data block numbers are contained in an index node associated with said file.” EX1002 at 275–283. After a supplemental prior art search lasting just *sixteen minutes*, the Examiner’s next action was a Notice of Allowance stating that the prior art lacks “the specific combination of steps recited in the independent claim[s].” *Id.* at 262–267, 269 (first time stamp of 8:19 a.m.; last time stamp 8:35 a.m.). The Examiner’s hurried supplemental search was obviously not good enough. *See infra* § II.B.2. But that was only half the problem because additional searching was unnecessary. The Examiner should have sustained the rejection as a matter of course because the Applicant’s traverse of the official notice was demonstrably deficient.

Examination rules and guidelines state that “[t]o adequately traverse [an official notice] finding, an applicant *must* specifically point out the supposed errors in the examiner’s action, which would include stating *why* the noticed fact is not considered to be common knowledge or well-known in the art.” EX1202 at 146. Sensibly, an adequate traversal shifts the burden, and “the examiner must provide documentary evidence in the next Office action if the rejection is to be maintained.” *Id.* at 146–147. An improper traverse has the opposite effect, and “the examiner should clearly indicate in the next Office action that the common knowledge or well-known in the art statement is taken to be admitted prior art.” *Id.* at 147.

Here, despite “disagree[ing] with the aforementioned assertion,” (EX1002 at 297), the Applicant made no attempt to explain “*why*” the official notice fact was untrue. EX1202 at 146. Such an inadequate traversal should have drawn a final rejection, and yet the Examiner did the opposite. *Id.* at 147. Moreover, even if retracting the official notice was the right thing to do, allowing claims because they recite data block numbers contained in an index node is still not defensible. Indeed, the Applicant’s specification addresses this feature with clear admissions:

“As *known* to those skilled in the art, an inode (*index node*) is a data structure that contains information about a file, directory, or other object in a file system... Each *inode typically contains* the following information: ... and *the addresses of the file’s data blocks on the disk.*”

EX1002 at 335 (5:5–19); *see also* EX1202 at 65–66 (“A statement by an applicant in the specification...identifying the work of another as ‘prior art’ is an admission which can be relied upon for both anticipation and obviousness determinations” (cleaned up)) (“In the absence of another credible explanation, examiners should treat such subject matter as the work of another.”).

2. The Examiner’s Cursory and Constrained Search Efforts Defied Office Guidelines

Mishandling of the official notice issue was not the only examination error. The Examiner also failed to conduct a prior art search matching the rigor required by the Office examination guidelines.

“In the examination of an application for patent, an examiner *must* conduct a thorough search of the prior art.” EX1203 at 48; *see also id.* at 51 (“a careful and comprehensive search”); 37 C.F.R. 1.104 (“the examiner shall...make a thorough investigation of the available prior art”). To accomplish this task, “[t]hree reference sources *must* be considered—domestic patents (including patent application publications), foreign patent documents, and nonpatent literature,” none of which can be eliminated absent ample “justif[ication].” *Id.* Although “[t]ext search can be powerful,” “it is rare that a text search alone will constitute a thorough search of patent documents.” *Id.* at 49. Accordingly, “[s]ome combination of text search with other criteria, in particular [patent] classification, would be a normal expectation.” *Id.* These protocols are clear, and yet the Examiner did not follow them.

For one, the searches were limited to text queries submitted through the Examiner’s Automated Search Tool (EAST)³ and therefore omitted a classification patent search or a meaningful search of nonpatent literature (NPL). EX1002 at 269–270, 273, 320, 324; EX1001, (58) (listing “None” as the “Field of Classification Search”). Skipping the NPL was a major mistake. As confirmed by the Petition in this very IPR, file system data security is the kind of technology where searching

³ EAST provides searchable access to full-text United States patent literature, foreign patent abstracts and indexes, and certain pre-2000 technical disclosures from IBM.

patent documents alone is insufficient. *See* Pet. at 1 (detailing Grounds 1A–3 based on NPL references Locasto (EX1005) and Leffler (EX1006)).

Compounding this error in scope, the Examiner did not craft his text search strings carefully or spend sufficient time text searching in EAST. The first EAST search session included two short bursts of queries from 2:42 a.m. to 3:28 a.m. on June 21, 2010 and from 4:31 a.m. to 4:48 a.m. that same day. EX1002 at 321. Half of the Examiner’s queries used irrelevant keywords like “remap\$” and “redirect\$” with no basis in the claims or specification at issue. The second EAST session was the above-mentioned sixteen-minute supplemental search on November 8, 2010.

All told, the Examiner spent about two hours on inefficient and ineffectual text searching of patent literature. It is hardly a surprise that this limp, misguided effort failed to bear fruit. And it is similarly unsurprising that Petitioners’ more comprehensive and thorough search efforts produced the opposite result. *See* EX1040 (detailing Petitioners’ search methodology).

C. The Parallel Reexamination Request Further Supports Institution and Should Be Stayed to Conserve Resources

Valtrus has it backwards. The co-pending *ex parte* reexamination (“EPR”) does not counsel toward denial; it favors institution. Br. at 18–20.

Unlike a final written decision in this IPR, any rejection from the EPR will not be upheld by the Board in time to narrow or moot the ongoing litigations involving the ’686 patent. *See infra*, § II.D. Although Valtrus says “the average

pendency of an EPR is only approximately 15 months,” that statistic conceals the time consumed by an appeal to the Board. Br. at 19 (citing EX2018). According to Valtrus’s source, the “Avg. pendency if appealed” for EPR is “32.35 months.” EX2018 at 7. If the ’686 patent’s claims are unpatentable—and they are—a Board decision saying so in June 2028 will not affect jury trials likely to occur in 2027. *See infra*, § II.D. It is better for the Board to speak sooner rather than later.

D. Institution Will Narrow and Simplify the Parallel FedEx Litigation

1. A Final Written Decision by the Board Will Almost Certainly Precede Any Jury Trial

The Board’s projected final written decision date is March 5, 2027, and the District Court’s Docket Control Order lists March 1, 2027 as the date for “Jury Selection.” EX1115 at 1. If the District Court’s schedule holds, the jury verdict and the Board’s decision would come to fruition at approximately the same time. *See* EX1116 at 2 (“The majority of patent jury trials in [Judge] Gilstrap’s court are conducted in approximately a week’s time[.]”); *see also* Br. at 11 (“coterminous”).

But, these days, scheduled trial dates rarely hold in Texas’s Eastern District. This venue is the busiest patent court in the nation, and Judge Gilstrap’s docket is jam-packed with overlapping trial schedules. To start, the Docket Control Order that applies to Valtrus’s lawsuit against FedEx Office also applies to the separate lawsuit Valtrus filed against NetApp. The cases have been consolidated for pretrial activities but the “[i]ndividual cases remain active for trial.” EX1117. Both trials

cannot start on the scheduled date of March 1, 2027. And even assuming the case against FedEx Office goes first, there are still *six other lawsuits* on Judge Gilstrap's docket with jury trials scheduled to begin that same day:

Lawsuits on Judge Gilstrap's Docket Scheduled for Trial on March 1, 2027		
No.	Parties	Case ID
1	Gamba Group Holdings LLC v. Samsung Electronics America, Inc.	2:25-cv-00438
2	BrowserKey, LLC v. Ally Financial, Inc.	2:25-cv-00442 ⁴
3	BrowserKey, LLC v. Capital One Services LLC	2:25-cv-00443 ⁵
4	Malikie Innovations Ltd. v. ADT Inc.	2:25-cv-00554
5	Malikie Innovations Ltd. v. Vivint, LLC	2:25-cv-00555 ⁶
6	Linda Dorsey v. Eastman Chemical Company	2:25-cv-00617

EX1118 (docket control orders).

The reality is that the scheduled trial date will be delayed in the Parallel FedEx Litigation, a fact Valtrus knows better than most. Valtrus's recent lawsuit against SAP America experienced three separate trial date delays before the parties finally gave up and settled their dispute. EX1119 at 41–42. Rather than the Docket Control Order, it is more accurate to predict the trial date based on Judge Gilstrap's average

⁴ Consolidated for pre-trial activities with Case No. 2:25-cv-00450.

⁵ Consolidated for pre-trial activities with Case No. 2:25-cv-00450.

⁶ Consolidated for pre-trial activities with Case No. 2:25-cv-00554.

time to a jury trial in patent cases, which is about 24 or 27 months.⁷ EX1120; EX1121. Applying this statistic to the filing date of May 9, 2025 suggests any jury trial is likely to occur between May and August 2027, *after* the Board's final written decision deadline in this IPR *and after* the other IPRs Petitioners filed to address the three additional patents Valtrus asserted. *See* IPR2025-01490 (Mar. 5, 2027), IPR2026-00039 (Apr. 21, 2027), IPR2026-00060 (Apr. 22, 2027). As a result, institution presents an opportunity to significantly narrow the number of patents presented to a jury or even moot the trial altogether.

2. Petitioners' *Sotera*+ Stipulation Will Eliminate Wasteful Duplicative Efforts

Petitioners' *Sotera*+ stipulation rules out the vast majority of prior art, leaving only two types of §§ 102/103 invalidity grounds for a jury trial—(1) grounds consisting *solely* of system prior art that does not correspond to any of the asserted IPR references; and (2) grounds consisting of such system art paired with printed

⁷ Valtrus cites statistics from a cherry-picked timeframe that excludes many years' worth of trials from the sample. *See* Br. at 11 (citing EX2013). Valtrus also focuses on the median time-to-trial statistic, which is less relevant. For one, using the median of 21 months yields a date in February 2027, which is *before* the scheduled trial date and thus not predictive. As discussed, Judge Gilstrap's current docket is incredibly congested and the recent trend has been to delay trials, not move them up.

publications that are *not* the asserted IPR-ground references. EX1039. FedEx Office’s invalidity contentions list only *two* prior art systems for the ’686 patent, neither of which plays a role in this IPR. EX1122 at 24. The likelihood of duplicative efforts and inconsistent outcomes between this IPR and the Parallel FedEx Litigation is vanishingly small. Valtrus’s “leaves the door open” argument has no substance. Br. at 15.

3. Other Litigations, Including the Home Depot Litigation, Do Not Support Denial

Valtrus should not be permitted to leverage its licensing and litigation attacks to shield the ’686 patent from review. The only reason a trial involving the ’686 patent looks like it *may* occur before a final written decision from the Board is because the first target Valtrus sued—Home Depot—did not petition for *inter partes* review. *See* Br. at 10–11 (touting Home Depot Litigation trial date). If this circumstance alone were enough to warrant denial, the potential for abusive defendant-shopping tactics by high-volume-filing foreign patent assertion entities like Valtrus would be extraordinary. In truth, the Home Depot Litigation is hardly

relevant to the *Fintiv* analysis vis-à-vis Petitioners because there is no reason to believe it will ever reach a jury trial.⁸ *See* Br. at 10–11.

Home Depot entities have been sued in the Eastern District of Texas many times. Of the approximately sixty patent cases that have reached a resolution, Home Depot has not taken any of them to trial. EX1123.⁹ If past is prologue, Home Depot will bow out long before the '686 patent's validity is ever tested before a jury.

As for the remaining parallel litigations, all were filed contemporaneously or after the lawsuit involving Petitioners, and none have an expected trial date ahead of the Board's final written decision deadline in this IPR. A finding by the Board that the '686 patent's claims are unpatentable would narrow these other litigations just as it would for the Parallel FedEx Litigation. This opportunity to conserve resources in multiple lawsuits with a single IPR is a strong justification for institution.

⁸ In addition to the analysis that follows, the Home Depot Litigation may not survive the pending motion to dismiss for improper venue. And even if the case did reach trial, there is no guarantee that Valtrus would maintain its assertion of the '686 patent, one of five asserted patents in the Home Depot Litigation.

⁹ Note that the "1" trial indicated in the Lex Machina data is 2:13-cv-01113 (lead), a case with which Home Depot was at one point consolidated. But Home Depot, as is its custom, seems to have settled with the plaintiff before the jury trial. EX1124.

III. CONCLUSION

This IPR is a compelling and necessary use of the Board's limited resources. Petitioners could not have foreseen Valtrus's baseless infringement suit, and allowing foreign entities to launch legal attacks against unsuspecting American companies to extract tax-sheltered royalties without oversight would erode confidence in the U.S. patent system and invite further abusive litigation. Equally important, the '686 patent only issued because the Examiner did not sufficiently scrutinize the prior art or apply clear Office examination guidelines. Petitioners' IPR is the most timely, efficient, and fair opportunity to fix that mistake.

For all these reasons, we respectfully ask the Director to institute.

Respectfully submitted,

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CERTIFICATE OF SERVICE

Pursuant to 37 CFR §42.6(e)(4), the undersigned certifies that on December 4, 2025, a complete and entire copy of this Petitioner's Opposition and its supporting exhibits were provided via email, to the Patent Owner by serving the email correspondence addresses of record as follows:

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