

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

AMERICAN AIRLINES, INC. AND SOUTHWEST AIRLINES CO.,

Petitioners,

v.

INTELLECTUAL VENTURES I LLC,

Patent Owner.

Case No. IPR2025-01510
U.S. Patent No. 10,103,845

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

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PATENT OWNER’S EXHIBIT LIST

Ex. 2001	<i>American Airlines, Inc. and v. Intellectual Ventures II LLC</i> , IPR2025-00785 and IPR2025-00786, Paper 11 (PTAB August 29, 2025) (declining to exercise discretion to deny IPRs).
Ex. 2002	<i>American Airlines, Inc. and v. Intellectual Ventures II LLC</i> , IPR2025-00782 and IPR2025-00931, Paper 12 (PTAB September 19, 2025) (declining to exercise discretion to deny IPRs).
Ex. 2003	<i>American Airlines, Inc. and v. Intellectual Ventures II LLC</i> , IPR2025-00987 and IPR2025-01055, Paper 9 (declining to exercise discretion to deny IPRs).
Ex. 2004	IAM 2014, <i>What’s inside IV’s patent portfolio?</i>
Ex. 2005	Abstract of Title for U.S. Patent No. 10,103,845
Ex. 2006	PC Mag, July 2, 2013
Ex. 2007	Southwest Airlines Press Release dated May 11, 2022, entitled “Southwest Airlines Chooses Viasat’s High-Speed In-Flight Connectivity for New Aircraft Deliveries”
Ex. 2008	Southwest Airlines - Optional Travel Charges for travel on or after May 28, 2025
Ex. 2009	American Airlines Press Release Dated December 11, 2014
Ex. 2010	Fortune, <i>The Crazy Economics of Inflight Wifi</i> , 2015
Ex. 2011	American Airlines WiFi Connectivity Pricing, 2025

I. INTRODUCTION

The Petition challenges U.S. Patent No. 10,103,845 (the ‘845 Patent). The Director should exercise discretion and deny institution.

The ‘845 Patent is part of parallel district court litigation against Petitioner American Airlines (the American Litigation) involving ten patents (Case 4:24-cv-00890 (EDTX)). In six earlier IPRs involving patents at issue in the American Litigation, the Director issued decisions declining to exercise discretion to deny the Petitions. *See, American Airlines, Inc. and v. Intellectual Ventures II LLC*, IPR2025-00785 and IPR2025-00786, Paper 11 (PTAB August 29, 2025) (Ex. 2001), *American Airlines, Inc. and v. Intellectual Ventures II LLC*, IPR2025-00782 and IPR2025-00931, Paper 12 (PTAB September 19, 2025) (Ex. 2002), and *American Airlines, Inc. and v. Intellectual Ventures II LLC*, IPR2025-00987 and IPR2025-01055, Paper 9 (PTAB October 3, 2025) (Ex. 2003) (collectively, the “Earlier Decisions”). However, circumstances have changed since the Director issued those rulings.

In the Earlier Decisions, the Director found that “[t]he large number and wide scope of the patents asserted in the district court litigation weighs against discretionary denial, as the Board is better suited to review a large number of patents involving diverse subject matter.” Ex. 2001, 3; Ex. 2002, 2 and Ex. 2003, 2. Since that time, the Board has denied institution on the merits in every single Petition

involved in the Earlier Decisions. The table below sets forth the status of each IPR challenging a patent in the American Litigations. Except for the ‘845 Patent, all of the other patents in the table are also being asserted against Southwest Airlines (Case 3:25-cv-2885 (NDTX)). The institution has been denied in all cases highlighted in green, and the four remaining cases (highlighted in blue) do not have institution decisions due for several months.

<u>IPR/Patent</u>	<u>Status of Institution Decision</u>	<u>District Court Actions Where Patent Is Asserted American and/or Southwest</u>
IPR2025-00782/ USP 7324469	Denied	American (4:24-cv-00890) Southwest (3:25-cv-2885)
IPR2025-00785/ USP 7257582	Denied	American (4:24-cv-00890) Southwest (3:25-cv-2885)
IPR2025-00786/ USP 7949785	Denied	American (4:24-cv-00890) Southwest (3:25-cv-2885)
IPR2025-00931/ USP 8332844	Denied	American (4:24-cv-00890) Southwest (3:25-cv-2885)
IPR2025-00987/ USP 8407722	Denied	American (4:24-cv-00890) Southwest (3:25-cv-2885)
IPR2025-01055/ USP 8027326	Denied	American (4:24-cv-00890) Southwest (3:25-cv-2885)
IPR2025-01509/ USP 11032000	Due 3/23/26	American (4:24-cv-00890) Southwest (3:25-cv-2885)
IPR2025-01510/ USP 10103845	Due 4/14/26	American (4:24-cv-00890)
IPR2025-01511/ USP 7712080	Due 3/29/26	American (4:24-cv-00890) Southwest (3:25-cv-2885)
IPR2026-00043/ USP 7721282	Due 4/20/26	American (4:24-cv-00890) Southwest (3:25-cv-2885)

As discussed more fully below, as a result of the denial of institution in all of the cases highlighted in **green**, Patent Owner respectfully submits that, at this point, the District Court handling the American Litigation -- as opposed to the Board -- is better suited to review the validity of the '845 Patent, which is one of the remaining patents (highlighted in **blue** above) that have yet to reach an institution decision.

In addition, the settled expectations of the parties favor discretionary denial. The '845 Patent issued over 7 years ago in 2018 with claims directed to systems for operating wireless local area networks -- a technology area that both Petitioners have developed and used for many years in order to provide satellite-based internet access to passengers during flights. Moreover, since at least 2014, it was known that Patent Owner had acquired rights in patents (including the '845 Patent) from Conexant - a company active in the wireless local area network space¹ -- and that Patent Owner actively licenses its patent portfolio. Despite the fact that the '845 Patent was publicly available and provided notice, Petitioners took no steps to challenge the '845 Patent during the seven years that the patent has been in force. Rather,

¹ See, e.g., Article from IAM dated in 2014, Ex. 2004, 7 (identifying Conexant as one of "the top 20 sellers of patents to IV") and Abstract of Title, Ex. 2005, Assignment #3 (transferring rights in the application that matured into the '845 Patent from Conexant to XOCYST Transfer AG LLC in 2008 (controlled by IV), and Assignment #4 (merging XOCYST Transfer AG LLC into Intellectual Ventures I LLC in July, 2011). These assignments were recorded by August 20, 2018. Thus, since before the issuance of the '845 Patent on October 16, 2018, Intellectual Ventures I LLC has been identified as the owner of record of the '845 Patent.

Petitioners waited until now (with the ‘845 Patent is poised to expire in February, 2026) to launch their challenge. The significant length of time that the ‘845 Patent has been in force evidences well-settled expectations of the parties, which favors discretionary denial. *Dabico Airport Solutions v. AXA Power*, IPR2025-00408 (PTAB 2025), Paper #21 (finding that settled expectations favored discretionary denial where the challenged patent had been in force for over seven years).

For these reasons, and as explained more fully below, the Director should exercise discretion to deny institution.

II. AS A RESULT OF THE DENIAL OF INSTITUTION IN THE MAJORITY OF IPRS CHALLENGING THE PATENTS-IN-SUIT, THE DISTRICT COURTS ARE BETTER SUITED TO REVIEW THE VALIDITY OF THE REMAINING PATENTS-IN-SUIT INCLUDING THE ‘845 PATENT

In declining to exercise discretion in the Earlier Decisions addressing the six previous IPRs, the Director reasoned:

... Although Patent Owner argues that six of the asserted patents involve only two technology areas (DD Reply 1–2), the challenged patents appear to be directed to a diverse range of subject matter (e.g., Internet hotspots, distributed networking, transceiver operation, computer clusters) (DD Sur-reply 1–4). The large number and wide scope of the patents asserted in the district court litigation weighs against discretionary denial, as the Board is better suited to review a large number of patents involving diverse subject matter. Ex. 2001, 3.

See, Ex. 2002, 2 (“This case presents essentially the same discretionary considerations as those presented in IPR2025-00785 and IPR2025-00786); and Ex.

2003 (“These cases present essentially the same discretionary considerations as those presented in IPR2025-00785 and IPR2025-00786”). However, now that the Board has denied institution in the six previous IPRs, it is clear that the Board will *not* be reviewing the patents that were at issue in those proceedings. Rather, the District Court will now be charged with reviewing those six patents.

The Director found that the six patents at issue in the Earlier Decisions spanned a “diverse range of subject matter (Internet hotspots, distributed networking, transceiver operation, computer clusters).” Ex. 2001, 3. Significantly, as illustrated below, the subject matter areas of the patents where institution was denied (**green**) *fully encompass* those of the remaining patents (highlighted in **blue**).

<u>IPR</u>	<u>Patent</u>	<u>Status of Institution Decision</u>	<u>Technology Area</u>
IPR2025-00782	7324469	Denied	Internet hot spots
IPR2025-00785	7257582	Denied	Distributed Networking
IPR2025-00786	7949785	Denied	Computer Clusters
IPR2025-00931	8332844	Denied	Distributed Networking
IPR2025-00987	8407722	Denied	Computer Clusters
IPR2025-01055	8027326	Denied	Transceiver Operation
IPR2025-01509	11032000	Due 3/23/26	Transceiver Operation
IPR2025-01510	10103845	Due 4/14/26	Transceiver Operation
IPR2025-01511	7712080	Due 3/29/26	Distributed Networking
IPR2026-00043	7721282	Due 4/20/26	Distributed Networking

The reasoning of the Earlier Decisions was premised on efficiency, and the possibility that the outcomes of the six earlier IPRs (had they been instituted) would lessen the burden on the District Courts to address the validity of patents spanning a “diverse range of subject matter.” For example, if the six IPRs had been instituted and reached Final Written Decisions before the trials in the District Courts, the District Courts could have potentially avoided the need to address the validity of patents spanning diverse subject matter either because (i) the Patent Owner prevailed in the IPRs (resulting in Petitioners being estopped from challenging validity in the District Courts based on prior patents and publications) or (ii) Petitioners prevailed in the IPRs (resulting in the elimination of the subject patents from the District Court Litigations).

However, given the denials of institution in the six previous cases, no results by the Board in the four remaining IPRs will avoid the need for the District Courts to address the validity of patents spanning a “diverse range of subject matter,” including “Internet hotspots, distributed networking, transceiver operation, computer clusters.” More specifically, with respect to the ‘845 Patent at issue in this IPR which falls in the technology area of “transceiver operation,” the District Court in the American Litigation will need to address the validity of Patent No. 8027326 (also in the “transceiver operation” area) as a result of the denial of institution in IPR2025-01055, regardless of any result the Board might render in this IPR.

The most efficient path for avoiding duplication of efforts going forward is to have either the District Courts or the Board -- but not both -- address the validity of the patents in the remaining IPRs. However, since the District Court in the American Litigation is already required to address the validity of patents spanning a “diverse range of subject matter” including that of the ‘845 Patent, it is more efficient for the District Court in the American Litigation (as opposed to the Board) to address the validity of the ‘845 Patent as well, as the District Court in the American Litigation will already be immersed in the technology area of the ‘845 Patent through its role assessing validity of the ‘326 Patent.

III. THE WELL-SETTLED EXPECTATIONS OF THE PARTIES FAVOR DISCRETIONARY DENIAL

The ‘845 Patent issued over 7 years ago in 2018, and the application that matured into the ‘845 Patent was published almost 13 years ago.² As the Director has explained, issued patents and published applications (which are publicly available) “provide notice to the public, other inventors, competitors, and commercial interests.” *Dabico Airport Solutions v. AXA Power ApS*, IPR2025-00408 (PTAB June 18, 2025), Paper #21, *citing*, 35 U.S.C. § 122. Thus, as part of the public and entities with commercial interests in the subject matter of the ‘845

² The application that matured into the ‘845 Patent was published on January 24, 2013 as U.S. Patent Publication No. 2013/0022059.

Patent, the published versions of the ‘845 Patent have provided Petitioners with notice of the ‘845 Patent for many years.

Moreover, Petitioners’ lucrative business of providing inflight internet access to airline passengers using WiFi technology provided Petitioners with a strong commercial interest in the subject matter of the ‘845 Patent which, as the Petition itself admits, is related to WiFi technology. Petition, 1 (“The ‘845 Patent is related to 802.11 wi-fi technology”) and Ex. 1001, 1:28-32 (“FIG. 1A is a block diagram that illustrates an exemplary ... communication system 100 ... that is compliant with IEEE 802.11 standards” which are also referred to as Wi-Fi). For example, shortly after publication of the application that matured into the ‘845 Patent in 2013, Southwest announced that it was using Wi-Fi networks to provide in-flight satellite-based internet access “on more than 400 Southwest aircraft.” Ex. 2006, 1. By 2022, Southwest continued using WiFi networks to provide in-flight wireless Internet access, and announced that all new aircraft deliveries will be “factory-installed” with high data rate, satellite-based inflight connectivity to provide a “content-rich in-flight WiFi experience.” Ex. 2007, 1. As of today, Southwest charges passengers a fee of \$8 for inflight WiFi internet access. Ex. 2008, 3.

Similarly, about a year after publication of the application that matured into the ‘845 Patent American announced that it would be adding inflight WiFi internet access to its entire fleet:

“As the first airline to offer our inflight Wi-Fi, American knows customers value being able to remain connected and entertained while flying,”...

American marked the one-year anniversary of its merger earlier this week by announcing more than \$2 billion in investments to give its customers a world-class travel experience. These investments include expanding inflight entertainment and connectivity. The airline is adding satellite-based Internet access to its international fleet including all Boeing 777s and 787s, Airbus A330s, and retrofitted Boeing 767-300s and 757s. New 737s, nearly all new A321s, as well as retrofitted A319s also will have power ports in every row. All new widebody deliveries, including 777-300ERs and 787s, come with power at every seat, allowing customers to charge their laptops and personal electronic devices from gate to gate. Ex. 2009, 1.

By 2015, American was charging passengers \$10-20 for internet access supported by an in-flight wireless local area network. Ex. 2010, 1. Currently, for passengers who fly often, American sells monthly subscription plans for inflight internet access starting at \$49.95 per month. Ex. 2011, 2.

Despite engaging in highly lucrative commercial activity directly related to the subject matter of the ‘845 Patent for years, Petitioners waited until now to initiate this IPR. The long period of time that the ‘845 Patent has been in force evidences settled expectations. “Although there is no bright-line rule when expectations become settled, in general, the longer the patent has been in force, the more settled expectations should be.” *Dabico Airport Solutions v. AXA Power ApS*, IPR2025-00408 (PTAB June 18, 2025), Paper #21. Moreover, to the extent Southwest or American were to assert that they had no actual notice of the patent, the Board has

explained that actual notice of the patent or of possible infringement is not required to create settled expectations. For example, in *Dabico*, the Director explained:

... patent applications (after 18 months) and issued patents are almost always publicly available to provide notice to the public, other inventors, competitors, and commercial interests. 35 U.S.C. § 122. Interested parties may find published patents and patent applications using the Office's automated search systems as well as publicly available resources on the Internet. See 35 U.S.C. § 41(i). As such, actual notice of a patent or of possible infringement is not necessary to create settled expectations. (emphasis added).

Consistent with the guidance provided by earlier decisions, the Director has found settled expectations sufficient to deny institution where a patent has been in force for seven years. *Dabico*, IPR2025-00408, Paper #21 (finding that settled expectations favored discretionary denial where the challenged patent had been in force for over seven years); and *Cambridge Industries v. Applied Optoelectronics*, IPR2025-00434 (PTAB June 26, 2025), Paper #11, 3 (denying institution where the challenged patents had been in force for nine and seven years).³

³ The '845 Patent (which issued in 2018) has always been owned by companies owned and controlled by Invention Investment Fund I, L.P. (IIF I). As set forth in the Abstract of Title, on October 16, 2008, Conexant Systems, Inc. assigned the application upon which the '845 Patent was based to XOCYST Transfer AG L.L.C. (a company owned/controlled by IIF I). Ex. 2005, Assignment #3. On July 18, 2011, XOCYST Transfer AG L.L.C. was merged into Intellectual Ventures I LLC (a company owned/controlled by IIF I). Ex. 2005, Assignment #4.

The Director’s decision in *Shenzhen Tuozhu Technology Co., Ltd. v. Stratasys, Inc.*, IPR2025-00438, Paper 10, is inapposite. There, the Director found that the “challenged patent has never been ‘commercialized, asserted, marked, licensed, or otherwise applied’ in Petitioner’s ‘particular technology space,’” and concluded that this lack of activity undermined any argument that the petitioner could have had settled expectations about being free from suit. *Id.* (emphasis added). That rationale has no application here. Since at least 2014, it was known that Patent Owner had acquired rights in many patents (including the application that matured into the ‘845 Patent) from Conexant - a company active in the wireless local area network space. Ex. 2004, 7. And it was also well-known that Patent Owner negotiated primarily portfolio-wide licenses that licensed all of Patent Owner’s patents (including the ‘845 Patent) to each licensee. Patent Owner’s reputation for licensing its patent portfolio was so well known that, by 2014, one magazine published an “Action Plan” that included “determin[ing] what your initial exposure to IV looks like.” Ex. 2004, 11. Unlike in *Shenzhen Tuozhu*, the challenged patent has not lain dormant or been restricted to unrelated fields. Rather, the ‘845 Patent has been continuously and purposefully licensed in the very same wireless local area network space that is the subject of Patent Owner’s claims against Petitioners in the district courts.

The settled-expectations factor, as articulated in *Shenzhen Tuozhu*, is intended to prevent the IPR process from undermining a reasonable reliance on, *inter alia*, a

longstanding absence of licensing activity. But that logic does not apply where, as here, the patent owner has demonstrated consistent licensing of the patent over a period of over a decade. To hold otherwise would penalize the exact type of commercial reliance that the factor is meant to protect. Accordingly, this case presents none of the equitable considerations that justified institution in *Shenzhen Tuoazhu*. The Director should therefore exercise discretion under 35 U.S.C. § 314(a) and deny institution based on settled expectations.

IV. CONCLUSION

The facts have materially changed since the Director entered the Earlier Decisions declining to exercise discretion to deny institution in the six earlier IPRs challenging patents-in-suit in the American and Southwest District Court Litigations. As a result of the Board's denial of institution in all of those cases on the merits, the District Court in the American Litigation -- as opposed to the Board -- is better suited to review the validity of the '845 Patent.

The Director should exercise his discretion to deny institution because the settled expectations of the parties favor discretionary denial. Petitioners took no steps to challenge the '845 Patent during the almost 7 years that the patent has been in force and waited until now to initiate their challenge. The significant length of time that the '845 Patent has been in force evidences well-settled expectations of the parties, which favors discretionary denial.

For these reasons, the Director should deny institution.

Respectfully submitted,

Dated: December 12, 2025

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CERTIFICATE OF COMPLIANCE WITH WORD COUNT

Pursuant to 37 C.F.R. § 42.24(d), I certify that this **BRIEF IN SUPPORT OF PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL** complies with the type-volume limits set forth in the Memorandum and 37 C.F.R. § 42.24 because it contains 2,890 words, excluding the parts of the Brief that are exempted by 37 C.F.R. § 42.24(a), according to the word processing system used to prepare this Brief.

Respectfully submitted,

Dated: December 12, 2025

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CERTIFICATE OF SERVICE

The undersigned certifies that pursuant to 37 C.F.R. § 42.6(e), a copy of the foregoing **BRIEF IN SUPPORT OF PATENT OWNER'S REQUEST FOR DISCRETIONARY DENIAL** was served via email (as consented to by counsel) on December 12, 2025 to lead and backup counsel of record for Petitioner as follows:

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