UNITED STATES PATENT AND TRADEMARK OFFICE

_____

BEFORE THE PATENT TRIAL AND APPEAL BOARD

_____

GENERAC POWER SYSTEMS, INC.
Petitioner,

v.

PSLC LLC
Patent Owner.

_____

Case No. IPR2026-00022
U. S. Patent No. 11,967,857

PATENT OWNER'S DISCRETIONARY DENIAL BRIEF

TABLE OF CONTENTS

TABLE OF AUTHORITIES iv

LIST OF PATENT OWNER'S EXHIBITS v

I. Introduction 1

II. Factual Background 2

III. The Director Should Exercise Discretion to Deny Institution Under 35 U.S.C. §314(A) and/or 35 U.S.C. §325(d) 5

A. Settled Expectations Weigh in Favor of Denying Institution 6

B. The Unpatentability Challenge Set Forth by Petition is Weak and Cumulative of the Art Set Forth by the Examiner 9

C. The *Fintiv* Factors Heavily Support Discretionary Denial 14

a. Factor 1: Whether the Court Granted a Stay or Evidence Exists that one may be Granted if a Proceeding is Instituted 14

b. Factor 2: Proximity of the Court's Trial Date to the Board's Projected Statutory Deadline for a Final Written Decision 15

c. Factor 3: Investment in the Parallel Proceeding by the Court and the Parties 15

d. Factor 4: Overlap Between Issues Raised in the Petition and in the Parallel Proceeding 16

e. Factor 5: Whether the Petitioner and the Defendant in the Parallel Proceeding are the Same Party 17

f. Factor 6: Other Circumstances that Impact the Board's Exercise of Discretion, Including the Merits 17

D. Instituting the Three Petitions Would Be an Inefficient Use of the

Board's Resources and Would Greatly Prejudice Patent Owner.....18

CERTIFICATE OF SERVICE 21

TABLE OF AUTHORITIES

Cases:

Advanced Bionics, LLC v. Med-ElElektromedizinische Geräte GmbH,
IPR2019-01469, Paper 6 at 8 (P.T.A.B. Feb. 13, 2020) 9, 12

Apple v. Fintiv, IPR2020-00019,
Paper 11 at 5-6 (PTAB March 20, 2020) 14, 16

Becton, Dickinson & Co. v. B. Braun Melsungen AG,
IPR2017-01586, Paper 8 at 17-18 (P.T.A.B. Dec. 15, 2017).....9, 10

L'Oreal USA, INC., v. Brightex Bio-Photonics, LLC,
IPR2025-00971 Paper 13 at 2 (Director September 26, 2025) 7

Samsung Electronics Co. Ltd. et al. v. Staton Techiya, LLC,
IPR2022-00302, Paper 13, at 16-17 (P.T.A.B. July 11, 2022). 5

SAP Am. Inc. v. Cyandia, Inc.,
IPR2024-01496, Paper 13 at 10-11 (P.T.A.B. Apr. 7, 2025).....18

Tessel, Inc., v. Nutanix, Inc.,
IPR2025-00322, Paper 14 at 2 (Director June 12, 2025).....5, 6

Other Authorities:

35 U.S.C. § 314(a) 2, 5

35 U.S.C. § 325(d) .....*Passim*

LIST OF PATENT OWNER'S EXHIBITS

Exhibit No.	Description
2001	Patent Owner's First Communication to Petitioner 02/14/2012
2002	Proof of Delivery of Patent Owner's First Communication to Petitioner
2003	USPS Tracking of Patent Owner's First Communication to Petitioner
2004	Patent Owner's Second Communication to Petitioner 03/15/2012
2005	Patent Owner's Third Communication to Petitioner 01/24/2021
2006	United States Patent No. 11,831,197
2007	Excerpts of 11,831,197 File History
2008	March 26, 2025 Interim Processes for PTAB Workload Management
2009	PTAB Proposed Rulemaking
2010	Notice of Allowance of '857 Patent
2011	United States Patent Application 2004/0051387
2012	Scheduling Order in the District Court Proceeding
2013	Excerpt of Transcript of Section 101 Motion to Dismiss Hearing
2014	Petitioner's Invalidity Contentions
2015	Patent Owner's Initial Infringement Contentions Cover Pleading
2016	2019 PTAB Trial Practice Guide

Patent Owner, PSLC LLC ("PSLC" or "Patent Owner"), submits this paper requesting discretionary denial of Generac Power Systems, Inc.'s ("Petitioner") Petition(s) for *Inter Partes* Review ("Petition" or "Petitions") of U.S. Patent No. 11,967,857 ("the '857 Patent") pursuant to the Board's guidance on "Interim Processes for PTAB Workload Management," dated March 26, 2025, other guidance and proposed rulemaking provided by the USPTO, and denial decisions interpreting the same.

I. Introduction

After ignoring multiple communications from the inventor of the '857 Patent family dating as far back as February 14, 2012, receiving a Section 102 rejection over the '857 Patent's predecessor when trying to obtain their own patent on Patent Owner's technology, filing untimely briefs stricken by the Court in an unsuccessful Section 101 challenge decided at Step One in Patent Owner's favor in the co-pending district court litigation, Petitioner waits until the last day of the statutory deadline to file ***three IPRs*** as to just ***one*** of the three patents asserted against Petitioner in the district court litigation. In doing so, Petitioner drops off 500 pages of briefing at the PTAB's doorstep, 252 of them coming in the form of an expert declaration that is clearly intended to fill the gaps found within the four corners of the asserted prior art. Petitioner's conduct up to this point has been anything but efficient and

unsurprisingly, Petitioner now seeks to multiply the proceedings between the parties by a factor of four. *See* e.g. IPR 2026-00022-24.

As will be shown in greater detail below, Petitioner's nearly fourteen year notice of the inventions of the '857 Patent family creates settled expectations between the parties; the merits of the Petitions are weak because they rely heavily on expert testimony and present cumulative art by the same author bearing the same title as what was considered by the examiner; the *Fintiv* factors heavily weigh in favor of discretionary denial; and all efficiency and policy considerations weigh in favor of the same. For all these reasons, Patent Owner respectfully requests that the Board exercise its authority to discretionarily deny institution of the Petition(s) under 35 U.S.C. § 314(a) and/or 35 U.S.C. § 325(d).

II. Factual Background

The sole inventor of the '857 Patent family is Mr. Carl Cooper ("Mr. Cooper"), a serial inventor with over one hundred U.S. Patents and a track record of successful patent licensing on a global scale which has resulted in licenses to more than seventy companies. *See* Ex. 1004 at P. 3 ¶ 9. Mr. Cooper is a man with a lifelong passion for electronics and innovation, the registered patent agent that prosecuted the entirety of the '857 Patent family, and one of the two members of PSLC. *Id.*

The history between Petitioner and Mr. Cooper begins on February 14, 2012, ***nearly fourteen years ago***, when Mr. Cooper first wrote to Petitioner regarding the

inventions of the '857 Patent family wherein he described their contents at great length and expressed his desire to "generate excellent sales" for Petitioner's company and "explore potential opportunities with [Petitioner] in that respect." *See* Ex. 2001. After a month of silence, Mr. Cooper followed up with Petitioner on March 15, 2012, but once again received no response despite postal tracking confirmation that Petitioner had received his initial communication. *See* Ex. 2002-04.

After noticing Petitioner's movement towards his technology, Mr. Cooper wrote to Petitioner for a third time, on January 24, 2021, this time to Petitioner's patent attorney. Mr. Cooper's third communication not only identified two of the three patents Patent Owner has asserted against Petitioner in the district court but also identified one of Petitioner's pending applications as shown below:

> Dear Mr. Tramm,
>
> I have become aware of Generac's US Patent Application 16/744,601 entitled Load Shed System and I see that you are prosecuting this application. I assume that you are in contact with the business group at Generac that deals with backup power sources and load shed systems. Your client appears to be moving toward backup power systems which rely heavily on load control to prevent power source overloading. These systems now include both Generac's traditional internal combustion power sources as well as their newer inverter generator and solar inverter power sources.
>
> I have been working on backup power systems, and in particular those using load controls to prevent overloading, for several years. I have three patents in these fields which have issued in the past two months: 10,840,735; 10,879,727 and 10,892,618 all entitled Power Source Load Control. It appears to me that there may be an opportunity for Generac and I to establish a mutually beneficial business arrangement.
>
> If you should have any questions, or if Generac wishes to discuss this opportunity, please feel free to contact me via this email.
>
> Best Regards,
>
> J. Carl Cooper

Ex. 2005.

To Mr. Cooper's surprise, his communications were ignored once again and Petitioner did not so much as alert the USPTO to the existence of Mr. Cooper's patents which were indisputably in the hands of Petitioner's prosecuting attorney. *See* Ex. 2006 at P. 2. But the USPTO's diligent examination practices subsequently affirmed the substance of Mr. Cooper's communications. During the prosecution of one of Petitioner's patent applications ***that claimed priority to the patent application identified by Mr. Cooper in his communication***, the original patent in the '857 Patent family was cited by the examiner as an anticipating reference in non-final and final rejections put forth against Petitioner's application. *See* Ex. 2007 at P. 1-25. In response, Petitioner was forced to make narrowing claim amendments to overcome the '857 Patent's predecessor, thereby acknowledging its teachings. *Id*. at P. 26-31.

After being repeatedly ignored by Petitioner, whom he unquestionably provided with notice of his inventions, Mr. Cooper had no choice but to file suit against Petitioner in the Eastern District of Wisconsin. That district court litigation asserts three patents against Petitioner: the '727 Patent cited as prior art to Petitioner's patent application, the '618 Patent identified by Mr. Cooper in his letter, and the challenged '857 Patent. *See* Ex. 1004 P. 5 ¶ 14. Petitioner has not filed IPRs as to the '727 or '618 Patents and the time to do so has elapsed. Instead, Petitioner's trifold bid for review of the '857 Patent now requests the Board multiply the proceedings between the parties by a factor of four. *See* e.g. IPR 2026-00022-24.

III. The Director Should Exercise Discretion to Deny Institution Under 35 U.S.C. §314(A) and/or 35 U.S.C. § 325(d)

Pursuant to the Memorandum titled "Interim Processes for PTAB Workload Management," dated March 26, 2025 (Ex. 2008), Patent Owner submits this brief explaining why the Board should exercise its discretion to deny institution of the Petitions. The memorandum sets forth several considerations for whether discretionary denial is appropriate including the "settled expectations of the parties," the "strength of the unpatentability challenge;" the "extent of the petition's reliance on expert testimony;" and "[a]ny other considerations bearing on the Director's discretion." *See id*. The Director has subsequently affirmed "the Office may consider unfair dealings as a factor when determin[ing] whether to exercise discretion to deny institution under 35 U.S.C. §314(A)." *See Tessel, Inc., v. Nutanix, Inc.,* IPR2025-00322, Paper 14 at 2 (Director June 12, 2025). The Board has also affirmed that whether a petitioner has filed a *Sotera* or *Sand* stipulation should be considered in whether discretionary denial is appropriate. *See* e.g. *Samsung Electronics Co. Ltd. et al. v. Staton Techiya, LLC*, IPR2022-00302, Paper 13, at 16-17 (P.T.A.B. July 11, 2022).

Patent Owner will thus begin by addressing the settled expectations between the parties, subsequently address the merits of the Petitions and their overreliance on expert testimony, walk through the *Fintiv* factors, discuss the general inefficiency of

instituting the three Petitions, and conclude with the prejudicial impact institution would have on Patent Owner.

A. Settled Expectations Weigh in Favor of Denying Institution

Petitioner's longstanding notice of the inventions of the '857 Patent family weighs heavily in favor of discretionary denial on settled expectations grounds. Not only did Mr. Cooper write to Petitioner regarding his inventions on multiple occasions in 2012, but he remained diligent in monitoring Petitioner's movement towards his technology and attempted to avoid the filing of the district court action in favor of an amicable business deal. *See* Ex. 2001; 2004-5.

The USPTO's diligence in identifying Mr. Cooper's technology as prior art to Petitioner's own patent applications not only vindicates the substance of Mr. Cooper's communications to Petitioner but also crystallizes the undeniable notice Petitioner has had of the '857 Patent family. Petitioner's desire for their own patents on Patent Owner's technology boldly underscores the novelty and importance of Mr. Cooper's inventions. And Petitioner's withholding of Mr. Cooper's patents as references during the prosecution of their own applications while simultaneously ignoring his repeated communications speaks volumes about their business and patent practices. This is exactly the type of behavior the Board has stated may be weighed when considering whether institution is appropriate. *See Tessel, Inc.,* IPR 2025-00322, Paper 14 at 2. In line with the rationale in *Tessel*, institution cannot be

said to be an appropriate use of Office resources where, as here, Petitioner previously applied for the issuance of their own patent on Patent Owner's technology and now subsequently advocates for its unpatentability. *See id.* (holding that "[i]t is not an appropriate use of Office resources where the inventors applied for and were issued a patent, but, as is the case here, now advocate for its unpatentability.")

In view of the foregoing, Petitioner is likely to hinge the majority of their response on the fact the '857 Patent issued on April 23, 2024, and settled expectations should not apply to such a young patent. But such a cursory view of the facts would fail to fully encapsulate the history of the two parties and incentivizing such piecemeal IPR strategy guarantees the inefficiency of IPR proceedings.

It is undisputed that Petitioner has had longstanding notice of Mr. Cooper's inventions, the '857 Patent family, and direct notice of the other two patents asserted against it in District Court litigation. *See* Ex. 2001-05. The Director has previously explained that when a Patent Owner provides evidence demonstrating it informed a petitioner of the filing of patent applications relating or leading to the challenged patent, such evidence weighs in favor of discretionary denial on settled expectations grounds of the challenged patent. *See L'Oreal USA, INC., v. Brightex Bio-Photonics, LLC*, IPR2025-00971 Paper 13 at 2 (Director September 26, 2025) (finding discretionary denial appropriate where "Patent Owner provides evidence demonstrating that it informed Petitioner of the filing of the provisional application

that led to the challenged patent . . . and the publication of the non-provisional application"). Thus, Petitioner's longstanding notice of the inventions of the '857 Patent family undermines any argument regarding the time the '857 Patent has been in force.

But at a more fundamental level, petitioners should not be incentivized to make inefficient strategic decisions to only challenge the youngest of a number of patents asserted against it in the district court litigation to avoid a settled expectations based discretionary denial. Such a strategy provides petitioners an unintended and inefficient mechanism of circumventing settled expectations by incentivizing challenges to only a subset of the patents asserted against the petitioner in litigation. Such an approach ensures the inefficiency of IPR proceedings by guaranteeing institution will neither resolve all outstanding disputes between the parties nor "serve as a complete substitute for at least some phase of the litigation" as contemplated by the USPTO's Proposed Rulemaking. *See* Ex. 2009 at P. 4. Petitioner's decision cannot be said to be in line with the USPTO's guidance or need to use their finite resources efficiently. Worse yet, Petitioner burdens the Board with three IPRs, the presumptive maximum that it could file, only to achieve at best, a partial resolution between the parties.

Patent Owner respectfully requests that the Director exercise their discretion to deny all Petitions on settled expectations grounds.

B. The Unpatentability Challenge Set Forth by Petitioner is Weak and Cumulative of the Art Set forth by the Examiner

While Petitioner believes the Petitions should be denied on settled expectations grounds, the merits of the Petitions are weak and do not justify the Board's review because Petitioner's challenge (1) relies on art cumulative of the art cited by the examiner favoring discretionary denial under 35 U.S.C. § 325(d); (2) relies heavily on 252 pages of expert testimony required to cure material deficiencies in the disclosure of the cited references critical to the novelty of the claimed inventions; and (3) provides no anticipatory art, merely relying on obviousness.

In determining whether to deny institution under 35 U.S.C. § 325(d), the Board applies a two-part framework to determine: "(1) whether the same or substantially the same art previously was presented to the Office or whether the same or substantially the same arguments previously were presented to the Office; and (2) if either condition of [the] first part of the framework is satisfied, whether the Petitioner has demonstrated that the Office erred in a manner material to the patentability of challenged claims." *Advanced Bionics, LLC v. Med-El Elektromedizinische Geräte GmbH*, IPR2019-01469, Paper 6 at 8 (P.T.A.B. Feb. 13, 2020) (precedential). To apply this framework, the *Becton, Dickinson* factors "provide useful insight." *Id.* at 9-10.

The *Becton, Dickinson* factors are (1) the similarities and material differences between the asserted art and the prior art involved during examination; (2) the cumulative nature of the asserted art and the prior art evaluated during examination; (3) the extent to which the asserted art was evaluated during examination, including whether the prior art was the basis for rejection; (4) the extent of the overlap between the arguments made during examination and the manner in which Petitioner relies on the prior art or Patent Owner distinguishes the prior art; (5) whether Petitioner has pointed out sufficiently how the Examiner erred in its evaluation of the asserted prior art; and (6) the extent to which additional evidence and facts presented in the Petition warrant reconsideration of the prior art or arguments. *Becton, Dickinson & Co. v. B. Braun Melsungen AG*, IPR2017-01586, Paper 8 at 17-18 (P.T.A.B. Dec. 15, 2017) (precedential as to §III.C.5, first paragraph).

The Board need not take Patent Owner's word for the fact that Petitioner's challenge is based on cumulative art because Petitioner's expert agrees. In his 252-page declaration, Petitioner's expert explains that the Lasseter reference cited by Petitioner in its challenge is "consistent with and reflects the same concepts and control strategies described across many of Lasseter's academic and industry publications[.]" *See* Ex. 1003 at P. 53 ¶ 51. But this is not the first time the USPTO has addressed a Lasseter reference in connection with a finding of patentability of Mr. Cooper's inventions. During examination, multiple other references by Lasseter

were cited by the examiner,[1] none being material enough to cause the examiner to issue a rejection. But when describing why Mr. Cooper was entitled to allowance of the '857 Patent in view of Lasseter, the examiner explicitly noted that:

> Lasseter fails to teach the power source operating in such a manner as to control the frequency of the output AC power to have a first frequency when the power source is not overloaded and a second frequency when the power source is overloaded or near to being overloaded in addition to a processor circuit operating in response to the occurrence of the second frequency to control the amount of AC output power consumed by at least one load. *See* Ex. 2010 (emphasis added).

One look at the Lasseter references cited by the examiner and Petitioner confirms the similarity of their disclosure. The references not only share the ***exact same title*** but also discuss the same subject matter, including a relationship between output power and frequency wherein maximum power output is reached at the same time as minimum frequency which Petitioner cites as evidence of the claimed second frequency. *Compare* e.g. Ex. 1005 at [0117-0119] to Ex. 2011 at [0111-0112]. Petitioner's challenge does no more than attempt to improperly expand the teachings of the "new" Lasseter reference by relying heavily on a 252-page expert declaration filed in support of its Petitions to fill the same substantial gaps in Lasseter's

[1] *See* Ex. 1004 at P. 2.

teachings identified by the examiner which the Board has noted suggests weighs in favor of a validity determination by the Article III court.[2] But try as he might, Petitioner's expert cannot cure Lasseter's failure to teach a power source operating to control the frequency of the output A.C. power to have "a first frequency when the power source is not overloaded and a second frequency when the power source is overloaded or near to being overloaded" because as the Board has noted, "[t]he statute and our reviewing court require that petitions be based on prior art patents and printed publications" rather than expert testimony."[3] However, if we are to take Petitioner's expert at his word, Patent Owner has satisfied the first prong of the *Advanced Bionics* framework and Petitioner does not so much as allege the examiner erred in their evaluation of the prior Lasseter reference. Discretionary denial is appropriate under 35 U.S.C. § 325(d).

Beyond the cumulative nature of the art, Petitioner also fails to acknowledge the "new" Lasseter reference does not even mention the word "overload," a central part of the '857 Patent, and for good reason. Lasseter expressly discloses an

[2] The PTAB's FAQs for Interim Processes for PTAB Workload Management expressly state "extensive reliance on expert testimony … may suggest that the questions are better resolved in an Article III court" and both "[t]he statute and our reviewing court require that petitions be based on prior art patents and printed publications" rather than expert testimony. *See* FAQs for Interim Processes for PTAB Workload Management, Q.22.

[3] *Id.*

alternative method of stabilizing power sources that ensures their "[m]inimum frequency limit cannot be exceeded as a consequence of the fact that maximum power cannot be exceeded." *See* Exhibit 1005 at [0130]; *see* also *id.* at [118-120; 132]. A POSA reading Lasseter would have no reason to be concerned about overloads, the primary focus of the '857 Patent, because Lasseter had already developed an alternate method to guarantee they not occur. This is fatal to Petitioner's conclusory motivation to combine analysis.

Even more troubling, Petitioner wholly fails to explain how Lasseter could teach a power source controlling the frequency to have a second frequency when the power source is overloaded as required by every claim of the '857 Patent considering Lasseter explicitly states that "[s]ince all units cannot exceed maximum power, as seen before, then it follows that the units will not go beyond the lower limit for the frequency range." *Id.* at [132]. Following Lasseter's method, there will never be a situation where a given frequency corresponds to an overloaded condition because that overloaded condition will ***never occur***. Thus, Lasseter's own disclosure confirms that it does not teach the second frequency claimed.

Petitioner's inability to find a Section 102 reference and receipt of a Section 102 rejection over the '857 Patent's predecessor confirms Patent Owner was the first to conceive of the claimed inventions. Because Petitioner knows Patent Owner was the first to invent the clamed technology, Petitioner is forced to provide cumulative

art to manufacture an obviousness challenge. Petitioner's attempt to obtain their own patent on Patent Owner's technology and shielding Mr. Cooper's patents from the USPTO only reinforces the importance and novelty of the '857 Patent family. If Patent Owner's invention was so obvious, Petitioner simply would not need a 252-page declaration in support of three petitions to prove it.

C. The *Fintiv* Factors Heavily Support Discretionary Denial

In addition to the settled expectations between the parties and weak merits of the Petitions, the *Fintiv* factors also support Patent Owner's request for discretionary denial. *See Apple v. Fintiv*, IPR2020-00019, Paper 11 at 5-6 (PTAB March 20, 2020) (precedential) (setting forth six non-dispositive factors to determine whether efficiency, fairness, and the merits support denial.).

a. Factor 1: Whether the Court Granted a Stay or Evidence Exists that one may be Granted if a Proceeding is Instituted

The district court has not granted a stay in light of the IPR proceedings filed by Petitioner and is highly unlikely to do so. Petitioner has challenged only one of three patents asserted against it in the district court litigation and were the Board to grant institution, it is unlikely the district court case would be stayed given the vast majority of the issues in the litigation would remain undecided regardless of whether the Board ultimately found for Petitioner. Thus, the first *Fintiv* factor weighs in favor of discretionary denial.

b. Factor 2: Proximity of the Court's Trial Date to the Board's Projected Statutory Deadline for a Final Written Decision

Due to Petitioner's substantial delay in filing its IPR petitions, the Board would not be required to issue a Final Written Decision until April 17, 2027. While it is not the District Court judge's practice to issue a trial date until later in the proceedings, it is highly likely that the trial date would be in advance of April 17, 2027. The parties have agreed to a schedule wherein claim construction briefing will be completed by March 13, 2026, and upon the Court's claim construction ruling, the parties have a tight schedule wherein dispositive motions are due a mere seven and a half months later. *See* Ex. 2012. Thus, dispositive motions are likely to be on file before the end of 2026, and trial would be imminent months before the statutory deadline for the Board to issue its final written decision. The second *Fintiv* factor weighs in favor of discretionary denial.

c. Factor 3: Investment in the Parallel Proceeding by the Court and the Parties

The parties have invested heavily in the parallel proceeding and will have invested even more by the time a decision on institution would be reached. The parties have already had patent eligibility decided by the district court in Patent Owner's favor at Step One[4]; served multiple sets of discovery requests including

[4] *See* Ex. 2013 at P. 2, L. 2-4.

sixty-three requests for production and sixteen interrogatories served by Petitioner; served infringement and invalidity contentions[5]; and exchanged claim terms and elements for construction. By the time the Board issues an institution decision, the parties will have exchanged preliminary claim constructions, completed claim construction briefing, and provided the Court with a claim construction chart crystallizing the disputes between the parties; as well as conducted substantial discovery. Thus, the third *Fintiv* factor weighs in favor of discretionary denial.

d. Factor 4: Overlap Between Issues Raised in the Petition and in the Parallel Proceeding

While there is substantial overlap between issues raised in the Petition and in the parallel proceeding which weighs in favor of discretionary denial,[6] it is also noteworthy that resolution of the parallel proceeding would resolve all issues raised in the Petitions but the same cannot be said about resolving the issues put forward by the Petitions. Petitioner's decision to challenge only one of three patents asserted against it ensures institution will not only substantially drive up the cost of litigation but also that any decision on validity put forth by the Board could not "serve as a complete substitute for any phase of the litigation" as intended. *See* EX. 2009 at P.

[5] *See* Ex. 2014-15.
[6] *See Apple, Inc. v. Fintiv, Inc.*, IPR2020-00019, Paper 11 at 12 (PTAB Mar. 20, 2020) (precedential) ("[I]f the petition includes the same or substantially the same claims, grounds, arguments, and evidence as presented in the parallel proceeding, th[at] fact has favored denial.")

2. Worse yet, Petitioner challenges all seventy-one claims of the '857 Patent through its three Petitions but Patent Owner has asserted a mere fourteen claims against Petitioner in the district court litigation which ensures institution will be overly burdensome on the Board. *See* Ex. 2015.

Further, Petitioner has not indicated it intends to file a *Sand* or *Sotera* type stipulation and has instead served invalidity contentions which cite to three publications by Lasseter including the primary reference put forth in its Petitions and the reference cited by the examiner. *See* Ex. 2014. But even if Petitioner were to file a *Sand* or *Sotera* stipulation, it would be of little to no impact in the district court because Petitioner would not be precluded from asserting the same or substantially similar art against the two other patents asserted in the district court. Petitioner has all but confirmed that it intends on trying to get multiple bites at the invalidity apple and the fourth *Fintiv* factor heavily weighs in favor of discretionary denial.

e. Factor 5: Whether the Petitioner and the Defendant in the Parallel Proceeding are the Same Party

Petitioner and the Defendant in the parallel proceeding are the same party and thus, the fifth *Fintiv* factor weighs in favor of discretionary denial.

f. Factor 6: Other Circumstances that Impact the Board's Exercise of Discretion, Including the Merits

As set forth in detail above, Petitioner has had long-standing notice of the inventions of the '857 Patent family dating back to February 14, 2012, and attempted

to patent the same subject matter disclosed by the '857 Patent family. *See* Ex. 2001-05; 2007. Settled expectations should apply. The merits of the Petition are weak and favor discretionary denial.[7] After receiving their own Section 102 rejection over the '857 Patent's predecessor, Petitioner has now been forced to admit it has no reference that anticipates the '857 Patent's claims and cements that Patent Owner was the first to conceive of the claimed invention. It is for this very reason that Petitioner resorts to a cumulative obviousness challenge cobbling together art with many of the same teachings as what was put forth by the examiner as well as the same flaws identified in his Notice of Allowance of the '857 Patent. *See* Ex. 2010.

The sixth *Fintiv* factor weighs heavily in favor of discretionary denial.

D. Instituting the Three Petitions would be an Inefficient Use of The Board's Resources and Would Greatly Prejudice Patent Owner

Petitioner's filing of three petitions as to the '857 Patent alone in light of the other two patents asserted against Petitioner and this Board's previous guidance that it is "unlikely that circumstances will arise where three or more petitions by a petitioner with respect to a particular patent will be appropriate" renders institution burdensome and inefficient. *See* Ex. 2016 at P. 59. For the Board to decide the validity of all claims of the '857 Patent, it would have to comb through three lengthy

[7] *See SAP Am. Inc. v. Cyandia, Inc.*, IPR2024-01496, Paper 13 at 10-11 (PTAB Apr. 7, 2025) (declining institution where the merits were insufficiently strong to overcome other factors).

petitions and a 252-page expert declaration all for minimal gain. If the Board finds for Petitioner, its decision will not resolve the dispute between the parties in the district court and if the Board finds for Patent Owner, Petitioner intends to proceed on duplicative invalidity challenges in the district court as confirmed by their invalidity contentions and failure to offer a *Sotera* or *Sand* stipulation. *See* e.g. Ex. 2014.

While Patent Owner believes that it has compelling settled expectations in the validity of the '857 Patent, the merits of the Petitions are weak, and institution should be denied as to each of the Petitions, to the extent the Board is inclined to institute any of the Petitions, Patent Owner respectfully requests that the Board not institute Petitioner's second or third Petitions as identified by its ranking document, IPR Nos. 2026-00023-4,[8] due to the vastly increased expense and time incurred by Patent Owner in engaging in four separate proceedings. As addressed by the USPTO's Proposed Rulemaking, "[w]hen IPR proceedings cover the same ground as district court litigation, they cease to be an 'alternative' and can substantially increase litigation costs." *See* Ex. 2009 at P. 1. This is even more true in Patent Owner's case where Petitioner, a large public technology company, seeks to multiply the proceedings between the parties by a factor of four to exert undue financial pressure

[8] *See* Paper 2.

on Patent Owner. The Board has already expressed its concerns regarding the exact conduct Petitioner is engaging in through its Proposed Rulemaking by noting that:

> By far, the most frequent users of IPR proceedings are large technology companies. When a large company is free to copy a patented invention because it believes it can invalidate the patent through multiple validity challenges, the large company's other advantages, such as superior brand recognition and manufacturing scale, will often give it an edge over smaller competitors. Thus, weakened patent rights can contribute to market concentration in innovative industries. *See id.* at P. 3.

As this Board is well aware, patent rights are hard earned and deeply important to the American economy. For patent rights to be worth acquiring, they must be able to be enforced without expense so great that only large technology companies like Petitioner can afford to do so. In view of Petitioner's longstanding notice of the '857 Patent family, the *Fintiv* factors, the quality of the examination of the '857 Patent evidenced by Petitioner's substantially similar challenge, general efficiency considerations, and the burden that would be placed on both the parties and the Board if instituted, Patent Owner respectfully requests discretionary denial of the Petitions.

Dated: December 17, 2025.

Respectfully submitted,

By: */ Alexander N. Yow /*

Alexander N. Yow
Registration No. 82,236

Lead Counsel:
Alexander N. Yow
Reg. No. 82,236
Friedman, Suder & Cooke
604 E. Fourth Street, Suite 200
Fort Worth, TX 76102
Phone: (817) 334-0400
Fax: (817) 334-0401
ayow@fsclaw.com

Back-up Counsel:
Dave R. Gunter (*pro hac vice*)
Friedman, Suder & Cooke
604 E. Fourth Street, Suite 200
Fort Worth, TX 76102
Phone: (817) 334-0400
Fax: (817) 334-0401
gunter@fsclaw.com

CERTIFICATE OF SERVICE

I hereby certify that on this the 17th day of December, 2025, a true and correct copy of the foregoing PATENT OWNER'S DISCRETIONARY DENIAL BRIEF and the associated exhibits were served via electronic mail upon counsel of record for Petitioner at the following address:

Lead Counsel Joshua A. Griswold, Reg. No. 46,310 Fish & Richardson P.C. 60 South Sixth Street, Suite 3200 Minneapolis, MN 55402 IPR58936-0002IP1@fr.com PTABInbound@fr.com	Backup Counsel David Conrad, Reg. No. 60,788 Fish & Richardson P.C. 60 South Sixth Street, Suite 3200 Minneapolis, MN 55402

Dated: December 17, 2025.

By: */ Alexander N. Yow /*
Alexander N. Yow
Reg. No. 82,236